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SITTING DAYS—2008

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
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<tr>
<td>February</td>
<td>12, 13, 14</td>
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<td>March</td>
<td>11, 12, 13, 17, 18, 19, 20</td>
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<td>May</td>
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<td>June</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
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<td>August</td>
<td>26, 27, 28</td>
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<td>September</td>
<td>1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25</td>
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<td>13, 14, 15, 16</td>
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<td>November</td>
<td>10, 11, 12, 13, 24, 25, 26, 27</td>
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<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
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RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News
Network radio stations, in the areas identified.

- **CANBERRA**: 103.9 FM
- **SYDNEY**: 630 AM
- **NEWCASTLE**: 1458 AM
- **GOSFORD**: 98.1 FM
- **BRISBANE**: 936 AM
- **GOLD COAST**: 95.7 FM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 747 AM
- **NORTHERN TASMANIA**: 92.5 FM
- **DARWIN**: 102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—SECOND 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 Hon. Alan Baird Ferguson
Deputy President and Chair of Committees—Senator John Joseph Hogg

Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Hon. Christopher Martin Ellison

Senate Party Leaders and Whips

Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Leader of the Liberal Party of Australia—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Leader of the Nationals—Senator Hon. Nigel Gregory Scullion
Deputy Leader of the Nationals—Senator Hon. Ronald Leslie Doyle Boswell
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

Government Whips—Senators Kerry Williams Kelso O’Brien, Ruth Stephanie Webber and Dana Wortley

Liberal Party of Australia Whips—Senators Stephen Parry and Judith Adams
The Nationals Whip—Senator Fiona Joy Nash
Australian Democrats Whip—Senator Andrew John Julian Bartlett
Australian Greens Whip—Senator Rachel Siewert
Family First Party Whip—Senator Steve Fielding

Printed by authority of the Senate
## Members of the Senate

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
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<td>Abetz, Hon. Eric</td>
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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.
(9) Chosen by the Parliament of Tasmania to fill a casual vacancy vice Hon. Paul Henry Calvert, resigned.
(10) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Robert Francis Ray, resigned.

PARTY ABBREVIATIONS
AD—Australian Democrats; AG—Australian Greens; ALP—Australian Labor Party; CLP—Country Liberal 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—A Thompson
RUDD MINISTRY

Prime Minister
Hon. Kevin Rudd, MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Hon. Julia Gillard, MP
Treasurer
Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate
Senator Hon. Chris Evans
Special Minister of State, Cabinet Secretary and Vice President of the Executive Council
Senator Hon. John Faulkner
Minister for Trade
Hon. Simon Crean MP
Minister for Foreign Affairs
Hon. Stephen Smith MP
Minister for Defence
Hon. Joel Fitzgibbon MP
Minister for Health and Ageing
Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs
Hon. Jenny Macklin MP
Minister for Finance and Deregulation
Hon. Lindsay Tanner MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research
Senator Hon. Kim Carr
Minister for Climate Change and Water
Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts
Hon. Peter Garrett AM, MP
Attorney-General
Hon. Robert McClelland MP
Minister for Human Services and Manager of Government Business in the Senate
Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry
Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism
Hon. Martin Ferguson AM, MP

[The above ministers constitute the cabinet]
RUDD MINISTRY—continued

Minister for Home Affairs
Assistant Treasurer and Minister for Competition Policy and Consumer Affairs
Minister for Veterans’ Affairs
Minister for Housing and Minister for the Status of Women
Minister for Employment Participation
Minister for Defence Science and Personnel
Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation
Minister for Superannuation and Corporate Law
Minister for Ageing
Minister for Youth and Minister for Sport
Parliamentary Secretary for Early Childhood Education and Childcare
Parliamentary Secretary for Defence Procurement
Parliamentary Secretary for Defence Support
Parliamentary Secretary for Regional Development and Northern Australia
Parliamentary Secretary for Disabilities and Children’s Services
Parliamentary Secretary for International Development Assistance
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion
Parliamentary Secretary to the Minister for Trade
Parliamentary Secretary to the Minister for Health and Ageing
Parliamentary Secretary for Multicultural Affairs and Settlement Services

Hon. Bob Debus MP
Hon. Chris Bowen MP
Hon. Alan Griffin MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Hon. Warren Snowdon MP
Hon. Dr Craig Emerson MP
Senator Hon. Nick Sherry
Hon. Justine Elliot MP
Hon. Kate Ellis MP
Hon. Maxine McKew MP
Hon. Greg Combet AM, MP
Hon. Dr Mike Kelly AM, MP
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Bob McMullan MP
Hon. Duncan Kerr MP
Hon. Anthony Byrne MP
Senator Hon. Ursula Stephens
Hon. John Murphy MP
Senator Hon. Jan McLucas
Hon. Laurie Ferguson MP
**SHADOW MINISTRY**

<table>
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<th>Position</th>
<th>Member</th>
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<tr>
<td>Leader of the Opposition</td>
<td>Hon. Brendan Nelson MP</td>
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<tr>
<td>Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations</td>
<td>Hon. Julie Bishop MP</td>
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<tr>
<td>Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government</td>
<td>Hon. Warren Truss MP</td>
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<tr>
<td>Leader of the Opposition in the Senate and Shadow Minister for Defence</td>
<td>Senator Hon. Nick Minchin</td>
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<tr>
<td>Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Eric Abetz</td>
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<td>Shadow Treasurer</td>
<td>Hon. Malcolm Turnbull MP</td>
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<td>Manager of Opposition Business in the House and Shadow Minister for Health and Ageing</td>
<td>Hon. Joe Hockey MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs</td>
<td>Hon. Andrew Robb MP</td>
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<tr>
<td>Shadow Minister for Trade</td>
<td>Hon. Ian Macfarlane MP</td>
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<td>Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector</td>
<td>Hon. Tony Abbott MP</td>
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<td>Shadow Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator Hon. Nigel Scullion</td>
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<td>Shadow Minister for Human Services</td>
<td>Senator Hon. Helen Coonan</td>
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<td>Shadow Minister for Education, Apprenticeships and Training</td>
<td>Hon. Tony Smith MP</td>
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<td>Shadow Minister for Climate Change, Environment and Urban Water</td>
<td>Hon. Greg Hunt MP</td>
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<tr>
<td>Shadow Minister for Finance, Competition Policy and Deregulation</td>
<td>Hon. Peter Dutton MP</td>
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<tr>
<td>Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship</td>
<td>Senator Hon. Chris Ellison</td>
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<tr>
<td>Shadow Minister for Broadband, Communications and the Digital Economy</td>
<td>Hon. Bruce Billson MP</td>
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<tr>
<td>Shadow Attorney-General</td>
<td>Senator Hon. George Brandis</td>
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<td>Shadow Minister for Resources and Energy and Shadow Minister for Tourism</td>
<td>Senator Hon. David Johnston</td>
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<td>Shadow Minister for Regional Development, Water Security</td>
<td>Hon. John Cobb MP</td>
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[The above constitute the shadow cabinet]
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<tr>
<th>Shadow Ministry Role</th>
<th>Shadow Minister/Parliamentary Secretary</th>
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<tr>
<td>Shadow Minister for Justice and Border Protection; Assisting Shadow Minister for Immigration and Citizenship</td>
<td>Hon. Chris Pyne MP</td>
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<tr>
<td>Shadow Special Minister of State</td>
<td>Senator Hon. Michael Ronaldson</td>
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<td>Shadow Minister for Small Business, the Service Economy and Tourism</td>
<td>Steven Ciobo MP</td>
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<td>Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs</td>
<td>Hon. Sharman Stone MP</td>
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<td>Shadow Assistant Treasurer and Shadow Minister for Superannuation and Corporate Governance</td>
<td>Michael Keenan MP</td>
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<tr>
<td>Shadow Minister for Ageing</td>
<td>Margaret May MP</td>
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<td>Shadow Minister for Defence Science, Personnel; Assisting Shadow Minister for Defence</td>
<td>Hon. Bob Baldwin MP</td>
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<td>Shadow Minister for Veterans’ Affairs</td>
<td>Hon. Bronwyn Bishop MP</td>
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<tr>
<td>Shadow Minister for Employment Participation and Apprenticeships and Training</td>
<td>Andrew Southcott MP</td>
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<td>Shadow Minister for Housing and Shadow Minister for Status of Women</td>
<td>Hon. Sussan Ley MP</td>
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<tr>
<td>Shadow Minister for Youth and Sport</td>
<td>Hon. Pat Farmer MP</td>
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<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary</td>
<td>Don Randall MP</td>
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<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition in the Senate and Shadow Parliamentary Secretary for Northern Australia</td>
<td>Senator Hon. Ian Macdonald</td>
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<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Senator Hon. Richard Colbeck</td>
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<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Senator Hon. Brett Mason</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
<td>Hon. Peter Lindsay MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Infrastructure, Roads and Transport</td>
<td>Barry Haase MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Trade</td>
<td>John Forrest MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Immigration and Citizenship</td>
<td>Louise Markus MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Local Government</td>
<td>Sophie Mirabella MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Tourism</td>
<td>Jo Gash MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Ageing and the Voluntary Sector</td>
<td>Mark Coulton MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Families and Community Services</td>
<td>Senator Cory Bernardi</td>
</tr>
</tbody>
</table>
CONTENTS

THURSDAY, 19 JUNE

Chamber
Petitions—
  Paid Maternity Leave ................................................................. 2795
  Pregnancy Counselling Services ................................................. 2795
  Marriage Legislation ................................................................. 2795
Notices—
  Presentation .............................................................................. 2796
Business—
  Rearrangement ........................................................................ 2796
  Rearrangement ........................................................................ 2797
Notices—
  Postponement ......................................................................... 2798
Leave of Absence ........................................................................ 2798
Poker Machine Harm Minimisation Bill 2008—
  First Reading ........................................................................... 2798
  Second Reading ....................................................................... 2798
Pregnancy Counselling (Truth in Advertising) Bill 2006 .......................... 2799
Environment Protection and Biodiversity Conservation Amendment (Control of
  Power Station Emissions) Bill 2008—
  First Reading ........................................................................... 2800
  Second Reading ....................................................................... 2800
Notices—
  Postponement ......................................................................... 2802
Committees—
  Environment, Communications and the Arts Committee—Extension of Time........ 2802
Music Education ........................................................................ 2802
Iraq .............................................................................................. 2803
Zimbabwe ...................................................................................... 2805
Marine Environment ..................................................................... 2805
Committees—
  Community Affairs Committee—Report ................................... 2806
  Treaties Committee—Report ..................................................... 2811
Evidence Amendment Bill 2008—
  First Reading ........................................................................... 2812
  Second Reading ....................................................................... 2812
Health Insurance (Dental Services) Amendment and Repeal Determination 2008—
  Motion for Disallowance ........................................................... 2814
Committees—
  Environment, Communications and the Arts Committee—Report .................. 2828
Family Assistance Legislation Amendment (Child Care Budget and Other Measures)
  Bill 2008—
  Second Reading ....................................................................... 2833
  Third Reading .......................................................................... 2846
Quarantine Amendment (National Health Security) Bill 2008—
  Second Reading ....................................................................... 2847
Export Market Development Grants Amendment Bill 2008—
  Second Reading ....................................................................... 2851
  Third Reading .......................................................................... 2853
Veterans’ Entitlements Legislation Amendment (2007 Election Commitments) Bill 2008—
  Second Reading.............................................................. 2853
  Third Reading........................................................... 2856
Business—
  Rearrangement.......................................................... 2856
Health Care ( Appropriation) Amendment Bill 2008—
  Second Reading.............................................................. 2856
  Third Reading........................................................... 2857
Private Health Insurance Legislation Amendment Bill 2008—
  Second Reading.............................................................. 2857
  Third Reading........................................................... 2858
Health Insurance Amendment (90 Day Pay Doctor Cheque Scheme) Bill 2008—
  Second Reading.............................................................. 2858
  Third Reading........................................................... 2859
Defence Home Ownership Assistance Scheme Bill 2008.................................................... 2859
Defence Home Ownership Assistance Scheme (Consequential Amendments) Bill 2008—
  Second Reading.............................................................. 2859
  Third Reading........................................................... 2866
Business—
  Rearrangement.......................................................... 2866
Indigenous Education (Targeted Assistance) Amendment (2008 Budget Measures) Bill 2008—
  Second Reading.............................................................. 2866
  Third Reading........................................................... 2869
Law Officers Legislation Amendment Bill 2008—
  Second Reading.............................................................. 2869
  Third Reading........................................................... 2870
Customs Tariff Amendment (Tobacco Content) Bill 2008—
  Second Reading.............................................................. 2870
  Third Reading........................................................... 2871
Farm Household Support Amendment (Additional Drought Assistance Measures) Bill 2008—
  Second Reading.............................................................. 2871
  Third Reading........................................................... 2872
Fisheries Legislation Amendment (New Governance Arrangements for the Australian Fisheries Management Authority and Other Matters) Bill 2008—
  Second Reading.............................................................. 2872
Questions Without Notice—
  Budget ............................................................................ 2873
  Budget ............................................................................ 2875
  Commonwealth Seniors Health Card .................................. 2876
  Economy........................................................................ 2877
  Workplace Relations..................................................... 2878
  Fuel Prices ..................................................................... 2879
  Workplace Relations..................................................... 2881
  Distinguished Visitors.................................................. 2882
Questions Without Notice—
Murray-Darling River System ................................................................. 2882
Renewable Energy .................................................................................. 2883
Refugees ................................................................................................. 2885
Murray-Darling River System ................................................................. 2885
Questions Without Notice: Additional Answers—
Nuclear Non-Proliferation and Disarmament ........................................ 2887
Zimbabwe ............................................................................................... 2887
Reproductive Health Funding ................................................................. 2888
Tasmania: Rail Infrastructure ................................................................. 2888
Defence Procurement—
Return to Order ................................................................................... 2889
Questions Without Notice: Take Note of Answers—
Murray-Darling River System ................................................................. 2889
Renewable Energy .................................................................................. 2889
Workplace Relations ............................................................................. 2889
Ministerial Statements—
First Anniversary of the Northern Territory Intervention .................. 2896
Business—
Rearrangement .................................................................................... 2899
Fisheries Legislation Amendment (New Governance Arrangements for the Australian
Fisheries Management Authority and Other Matters) Bill 2008—
Second Reading .................................................................................... 2901
Third Reading ....................................................................................... 2904
Committees—
Economics Committee—Membership .................................................. 2904
Quarantine Amendment (National Health Security) Bill 2008—
Second Reading .................................................................................... 2904
Third Reading ....................................................................................... 2906
Higher Education Support Amendment (2008 Budget Measures) Bill 2008—
Second Reading .................................................................................... 2906
Third Reading ....................................................................................... 2926
Appropriation (Parliamentary Departments) Bill (No. 1) 2008-2009........ 2926
Appropriation Bill (No. 1) 2008-2009 ...................................................... 2926
Appropriation Bill (No. 2) 2008-2009—
First Reading ....................................................................................... 2926
Second Reading .................................................................................... 2926
Appropriation Bill (No. 5) 2007-2008 ...................................................... 2927
Appropriation Bill (No. 6) 2007-2008—
First Reading ....................................................................................... 2927
Second Reading .................................................................................... 2928
Wheat Export Marketing Bill 2008.......................................................... 2943
Wheat Export Marketing (Repeal and Consequential Amendments) Bill 2008—
In Committee ....................................................................................... 2944
Third Reading ....................................................................................... 2968
Business—
Rearrangement .................................................................................... 2968
CONTENTS—continued

Appropriation Bill (No. 5) 2007-2008 ................................................................. 2968
Appropriation Bill (No. 6) 2007-2008—
  Second Reading ............................................................................................... 2968
  Third Reading ................................................................................................... 2969
Tax Laws Amendment (Election Commitments No. 1) Bill 2008 .................. 2969
Income Tax (Managed Investment Trust Withholding Tax) Bill 2008 ............. 2969
Income Tax (Managed Investment Trust Transitional) Bill 2008—
  Second Reading ............................................................................................... 2969
  Third Reading ................................................................................................... 2973
Business—
  Rearrangement ............................................................................................... 2973
Adjournment—
  Mr Crispin Beltran .......................................................................................... 2974
  Meat and Livestock Australia .......................................................................... 2976
Documents—
  Tabling .............................................................................................................. 2977
Questions On Notice
  Lighting Energy Efficiency—(Question No. 344) ................................................. 2980
  Greenhouse Gas Emissions: Transport Sector—(Question No. 348) ..................... 2981
  Surgical Procedures—(Question No. 360) ........................................................... 2982
  Water—(Question No. 373) ................................................................................ 2983
  Media Monitoring Service—(Question No. 432) ................................................. 2985
  Immigration and Citizenship: Report—(Question No. 433) ............................... 2986
  Housing Affordability—(Question No. 437) ......................................................... 2986
Thursday, 19 June 2008

The PRESIDENT (Senator the Honourable Alan Ferguson) took the chair at 9.30 am and read prayers.

PETITIONS

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

Paid Maternity Leave

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

We the undersigned citizens believe that paid maternity leave is a workplace entitlement for Australian women. It overcomes the disadvantage and inequity women face as a result of the biological imperative for women to break from the workforce when they have a child.

We recognise that the International Labour Organisation (ILO) Convention 183 on Maternity Protection provides women with the right to 14 weeks paid maternity leave and Australia is now one of only two OECD countries without a national scheme of paid maternity leave.

Your petitioners request that the Senate should at the earliest opportunity pass legislation to provide a national system of Government-funded paid maternity leave which provides at least a 14 week payment for working women at least at the minimum wage, with the ability to be topped up to normal earnings at the workplace level with minimal exclusions of any class of women.

by Senator Stott Despoja (from 40 citizens)

Pregnancy Counselling Services

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

The Petition of the undersigned draws to the attention of the Senate the lack of regulation of pregnancy counselling in Australia.

Pregnancy counselling services which do not charge for the information they provide are not subject to the Trade Practices Act, which means they are not prohibited from engaging in misleading or deceptive advertising.

Some services have been known to give the impression in their advertising material that they are non-directive and provide information on all three pregnancy options (keeping the child, termination, and adoption), when in fact they are anti-choice. They have also been known to provide misleading information about the risks associated with terminating a pregnancy.

Your petitioners believe:

(a) Misleading information provided by some anti-choice pregnancy counselling services has caused distress for many women;

(b) Women have the right to know what sort of pregnancy counselling service they are contacting (ie anti-choice or non-directive) when they seek information about whether or not to continue a pregnancy;

(c) The Federal Government should urgently move to regulate pregnancy counselling in Australia to ensure the counselling provided is objective, non-directive, and includes information on all three pregnancy options.

Your petitioners request the Senate urge the Government to regulate pregnancy counselling in Australia (including banning misleading and deceptive advertising).

by Senator Stott Despoja (from 22 citizens)

Marriage Legislation

Amendment of Federal Marriage Act 1961 to invalidate states’ and territories’ relationship registers

To the Honourable the President and Members of the Senate in Federal Parliament assembled: The petitioners and citizens of Australia draw to the attention of the Senate that

(1) In 2004, the Commonwealth Parliament amended the Marriage Act 1961 to define marriage as “the union of a man and a woman to the exclusion of all others, voluntarily entered into for life”.

(2) This reinforced the Biblical norm of heterosexual marriage, which has been the corner-
stone of every civilization since the beginning of humanity.

(3) The word ‘marriage’ is thus appropriate only for legally united heterosexual couples, who are able to model dual-parenting that is balanced (providing both father and mother role models), natural (as to male-female physical union), and morally acceptable to God (bringing up children within the marriage bond).*

(4) The establishing of Relationship Registers in the States and Territories will inevitably expand the above definition of marriage (paragraph 1) intomeaninglessness, and so compromise the purpose of the Marriage Act.

Your petitioners therefore pray that, with the powers vested exclusively in the Federal Parliament under Section 51 (xxi) and (xxii) of the Australian Constitution, you amend the Marriage Act 1961 to invalidate any present or future States’ or Territories’ Relationship Registers.

by Senator Trood (from 19 citizens)

Petitions received.

NOTICES

Presentation

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

That the Senate—

(a) notes that:

(i) 19 June 2008, marks the 63rd birthday of Nobel Laureate and leader of the democracy movement in Burma, Daw Aung San Suu Kyi,

(ii) Daw Aung San Suu Kyi has been held under house arrest since May 2003, and periodically before then since 1989,

(iii) the Burmese military dictatorship has refused to acknowledge the results of the 1990 election, in which the National League for Democracy led by Daw Aung San Suu Kyi won an overwhelming majority, and

(iv) Daw Aung San Suu Kyi has refused a number of opportunities to leave Burma, even to visit her dying husband, knowing that she would be denied the right to return to continue the struggle for democracy and human rights in Burma;

(b) welcomes the Australian Government’s continued advocacy on behalf of democracy in Burma;

(c) calls on the Government to continue to pressure the Burmese regime to immediately and unconditionally release Daw Aung San Suu Kyi and all political prisoners in Burma, including 18 members of Parliament, and to commence an inclusive national reconciliation process to restore genuine democracy in Burma; and

(d) offers good wishes to Daw Aung San Suu Kyi for her birthday and for her continued efforts to campaign for human rights and democracy on behalf of the people of Burma.

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

That the Senate requests the Government to report by 1 September 2008 on:

(a) the total amount of carbon sequestered in Australia’s:

(I) native forests and woodlands,

(ii) plantations, and

(iii) planted and non-planted regrowth; and

(b) the rate of loss of these stores.

Senator Fielding to move on the next day of sitting:

That the reporting date for the Joint Standing Committee on Electoral Matters inquiry into the Commonwealth Electoral Amendment (Political Donations and Other Measures) Bill 2008 be amended by omitting ‘report by 30 June 2009’ and substituting ‘report by 10 November 2008’.

BUSINESS

Rearrangement

Senator Ludwig (Queensland—Manager of Government Business in the Senate) (9.31 am)—by leave—I move:

That the Senate not meet on Friday, 20 June 2008.
The predominant reason for this motion is that the opposition have referred 11 bills, which we would have expected to deal with during this sitting fortnight, to committees that will report in September. We would have been able to deal with them on Friday, and we would have needed those hours. When we first looked at the sitting timetable and examined the hours of work that we would require, we determined that it would require a Friday sitting. However, the opposition, in their disregard for the Senate being able to deal with budget bills prior to 1 July, referred bills to committees that will report in August and September. We will not now need the Friday this week to sit. However, I can add that the opposition have committed to only three bills being dealt with on Friday by committees to be reporting next week. I can say that we will be able to deal with those in the ensuing week. That will of course put pressure on the Senate to be able to deal with those bills next week. I am confident that the Senate will be able to adequately manage, given the hours of sitting next week.

Senator PARRY (Tasmania) (9.33 am)—I do not think this motion can go through without my commenting that the opposition has been exceptionally cooperative this week facilitating the smooth passage of quite a number of bills. This is why we are getting through the legislation as we are today. I think it needs to be placed on record that it is the cooperation of the opposition that has helped facilitate the passage of legislation.

Question agreed to.

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.34 am)—I move:

That—

(a) the following government business orders of the day be considered from 12.45 pm till not later than 2 pm today:

No. 6 Export Market Development Grants Amendment Bill 2008
No. 7 Veterans’ Entitlements Legislation Amendment (2007 Election Commitments) Bill 2008
No. 8 Defence Home Ownership Assistance Scheme Bill 2008
Defence Home Ownership Assistance Scheme (Consequential Amendments) Bill 2008
No. 9 Indigenous Affairs Legislation Amendment Bill 2008
No. 10 Indigenous Education (Targeted Assistance) Amendment (2008 Budget Measures) Bill 2008
No. 11 Law Officers Legislation Amendment Bill 2008
No. 12 Customs Tariff Amendment (Tobacco Content) Bill 2008
No. 13 Farm Household Support Amendment (Additional Drought Assistance Measures) Bill 2008
No. 14 Fisheries Legislation Amendment (New Governance Arrangements for the Australian Fisheries Management Authority and Other Matters) Bill 2008
No. 15 Health Care ( Appropriation) Amendment Bill 2008
No. 16 Private Health Insurance Legislation Amendment Bill 2008
No. 17 Health Insurance Amendment (90 Day Pay Doctor Cheque Scheme) Bill 2008; and

(b) the following government business orders of the day be considered from 7 pm today:

No. 18 Wheat Export Marketing Bill 2008
Wheat Export Marketing (Repeal and Consequential Amendments) Bill 2008
No. 19 Tax Laws Amendment (Election Commitments No. 1) Bill 2008
Income Tax (Managed Investment Trust Withholding Tax) Bill 2008

Income Tax (Managed Investment Trust Transitional) Bill 2008.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

General business notice of motion no. 103 standing in the name of the Leader of the Australian Democrats (Senator Allison) for today, relating to Western Sahara, postponed till 23 June 2008.

General business notice of motion no. 110 standing in the names of Senators Stott Despoja and Bartlett for today, relating to human rights, postponed till 23 June 2008.

LEAVE OF ABSENCE

Senator PARRY (Tasmania) (9.35 am)—by leave—I move:

That leave of absence be granted to Senator Heffernan for 18 June and 19 June 2008, for family reasons.

Question agreed to.

POKER MACHINE HARM MINIMISATION BILL 2008

First Reading

Senator FIELDING (Victoria—Leader of the Family First Party) (9.36 am)—I move:

That the following bill be introduced: A Bill for an Act to provide for the regulation of poker machines to promote responsible gambling practices and minimise problem gambling, and for related purposes.

Question agreed to.

Second Reading

Senator FIELDING (Victoria—Leader of the Family First Party) (9.37 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—

Governments in Australia have ignored problem gamblers for too long, which is why Family First is introducing the Poker Machine Harm Minimisation Bill 2008.

The Productivity Commission estimated that 293,000 people have a significant gambling problem in Australia.

A paper published this year in International Gambling Studies stated that more than 50 per cent of regular poker machine users are problem gamblers or at risk of becoming problem gamblers.

The close link between poker machines and problem gambling is shown by the fact that about 85 per cent of problem gamblers use poker machines.

The study also estimated problem or at-risk gamblers account for about 53 per cent of the money spent in Victoria on poker machines in hotels and clubs in 2005-06.

Why is this allowed to continue? One of the key reasons is that state and territory governments depend on poker machine taxes to prop up their budgets.

Poker machines are addictive for players, but they are also addictive for state and territory governments.

State government revenue from poker machines and Keno in 2006-07 was almost $3 billion. Gambling addicted state governments are incapable of weaning themselves off poker machine taxes.
Unless there is Federal intervention the policy paralysis at the state level will continue. The states have shown they are incapable of kicking their addiction to pokies. That is why Federal intervention is necessary.

Action is needed, especially when we see the reported comments of then chief executive of pokies giant Tattersalls, Duncan Fischer, who, in response to concerns about problem gambling, said he intended to “screw the problem gamblers” for as long as he could.

Groups with a significant financial stake in the pokies industry have made claims that Family First is led by an “anti-gaming zealot” and that this legislation is part of some so-called “new wowserism”. If being a wowser means making sure that poker machines do not destroy people’s lives, Family First is happy to live with that.

So far, much of the approach of state governments and poker machine operators has been to wait and see who develops a gambling problem, then try to help them. Why not take a more proactive approach and minimise the harm of pokies by changing the amount and rate of money that flows through poker machines?

There is evidence that the harm of poker machines can be greatly reduced by a number of simple measures, so Family First is taking action to change those things that encourage pokies addiction.

Research into gambling shows that targeted changes can cut rates of excessive gambling and that cutting rates of excessive gambling is a very important part of addressing problem gambling and allowing people to play the pokies with reduced harm.

Family First’s Bill will set out a number of harm minimisation measures.

It will limit the amount of money gamblers can lose and slow down the addictive nature of poker machines by:

- limiting bank note acceptors to denominations of not more than $20, to a maximum total of $100.
- For cash bets on poker machines:
  - bets will be limited to $1 a spin; and,
  - payout prizes will be limited to a maximum of $1,000.

For those poker machine players who wish to play higher risk poker machines, they can use machines which accept a pre-commitment smart card with a maximum fortnightly monetary credit of $1,000, which allow:

- Bets over $1 and up to $5 a spin; and,
- Payout prizes limited to a maximum of $2,000.

The legislation uses the powers available to the Federal Government. It uses the corporations power to force poker machine manufacturers and suppliers to modify their machines. It also uses the banking power to deal with automatic teller machines.

In addition to this bill, Family First’s Poker Machine Harm Reduction Tax (Administration) Bill 2008, introduced earlier this year, deals with the problem of the accessibility of poker machines. It would over time see pokies out of pubs and clubs and have them restricted to casinos and racetracks, which are dedicated gambling venues.

Family First is determined to ensure that Australia’s problem gamblers are not ignored and that poker machines are as safe as possible to help stop the misery that the Productivity Commission’s gambling inquiry found of suicides, marriage breakdowns and financial hardship.

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

Leave granted; debate adjourned.

**PREGNANCY COUNSELLING (TRUTH IN ADVERTISING) BILL 2006**

**Senator STOTT DESPOJA** (South Australia) (9.37 am)—I, and also on behalf of Senator Nettle, move:

(1) That so much of standing orders be suspended as would prevent this resolution having effect.
(2) That the Pregnancy Counselling (Truth in Advertising) Bill 2006 be restored to the Notice Paper and that consideration of the bill resume at the stage reached in the 41st Parliament.

(3) That the bill be restored to the Notice Paper in the names of Senators Stott Despoja and Nettle.

Question agreed to.

ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION AMENDMENT (CONTROL OF POWER STATION EMISSIONS) BILL 2008

First Reading

Senator ALLISON (Victoria—Leader of the Australian Democrats) (9.38 am)—I move:

That the following bill be introduced: A Bill for an Act to restrict approvals of new power stations to those operating within environmentally responsible emissions limits, and for related purposes.

Question agreed to.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (9.38 am)—I present the bill and 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 ALLISON (Victoria—Leader of the Australian Democrats) (9.38 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The purpose of this bill is to amend the Environment and Biodiversity Protection Act 1999 to set a minimum greenhouse intensity threshold for new power stations.

This private senator’s bill sets an emissions standard of a greenhouse gas emission intensity threshold that any new power station must comply with by using a technology with less than 0.6 Tonnes of CO2 equivalent per Mega Watt Hour (on a full fuel cycle basis).

The introduction of a greenhouse intensity threshold for new power stations is in line with the Government’s election policy commitments of reducing Australia’s greenhouse emissions and the introduction of an emissions trading scheme (ETS).

I have addressed the Senate on many occasions on the urgency of needing to act on climate change and the need to reduce our emissions sooner rather than later. My most recent comments were quoting NASA chief climate scientist James Hansen who has written to Prime Minister Rudd urging him to end the mining and export of coal in Australia. Professor Hansen’s proposal is backed by the latest in climate change science.

If we believe the climate science we must move beyond business as usual in the shortest time humanly possible, then policy must be clearly defined in order to guide investment decisions and to reduce the risk of stranded assets in the form of coal fired power stations.

We must move away from the thinking that we can continue to use fossil fuels in our power stations and our vehicles and magically move to a lower carbon footprint. We must clearly address both our relationship with energy through energy efficiency and the sources of that energy by increasing our use of renewable energy while using fossil fuels sparingly and strategically.

Action on climate change will be driven by enormous ecological, economic and human rights imperatives. And the pressure for change to low emission technology is becoming more and more compelling and urgent.

So, what technology will be used for Australia’s next large scale power station? We certainly know it will be required to participate in an emissions trading scheme.

An ETS will not drive renewable energy but will result in the technology selection of a more effi-
cient and therefore lower greenhouse intensity power station using either coal or gas. The corporation to build the next power station would certainly be calculating its exposure and the additional cost of its electricity product due to the cost of an ETS carbon permit.

As we know when an ETS is introduced, the cost of compliance will be passed on to the consumer. Sadly, the current environment has the demand for electricity increasing by almost 3 per cent per annum and energy efficiency a low priority for government, despite the enormous opportunities in industry, commercial and domestic buildings.

So the builder of Australia’s next coal power station would be hedging bets like an actuary, knowing that in such a wasteful energy environment that as long as it is not the worst emitter – that honour will go to brown coal generators – any carbon costs can be passed on to the consumer and as a consequence, the individual consumers will pay through the nose - not a good outcome for society or the economy.

I would anticipate, just as the Minister for Climate Change no doubt would, that an ETS will deliver the best practice technology. So if the ETS objective is to reduce emissions from Australia’s electricity sector and to deliver best practice low greenhouse intensity power stations, then the threshold in this bill will complement the ETS.

This bill sets a greenhouse gas emissions threshold of less than 0.6 tonnes of CO2 equivalent per megawatt hour (on a full fuel cycle basis) for all new power stations. This will have the effect of focusing the efforts of industry on technology that uses coal or gas in a more efficient and clean manner (and water too for that matter). A full fuel cycle basis refers to the emission-intensity at the smoke stack, not offset through planting trees or buying carbon credits or other form of offset. Setting this greenhouse emission intensity threshold will drive innovation and improvement on the 100 year old technology currently used by Australian coal fired power stations.

To put this in perspective, the average greenhouse intensity of NSW’s electricity between 1998 and 2003 was 1.05 TCO2 / MWh, ultra-supercritical black coal technology used at Millmerrin Power Station in Queensland is 0.78 TCO2 / MWh, integrated Gasification Combined Cycle (IGCC) is 0.72 TCO2 / MWh, combined cycle gas turbine (CCGT) is 0.43 TCO2 / MWh – the same technology used at Swanbank - and gas fired cogeneration is 0.3 TCO2 / MWh.

This policy approach is not new and has already been discussed by the Ministerial Council on Energy and the Victorian and New South Wales Governments. There is an international trend to improving the technology and to set minimum standards that exclude the worst greenhouse performers.

In 2007, a U.S. Department of Energy report listed 151 coal-fired power plants in the planning stages in the United States. But during 2007, 59 proposed plants were either refused licenses by state governments or quietly abandoned. Close to 50 other coal plants are being contested in the courts, and the remaining plants will likely be challenged when they reach the permit stage.

A greenhouse intensity threshold that is higher or weaker than 0.6 Co2 Tonnes per MWh will result in sub-optimal technology and as the cap tightens under the ETS there is a high probability of stranding. Technologies below this threshold, particularly gas turbines, are commercial and available today.

It is worth noting that the Minister would have the discretion to override this threshold if national energy security was an issue and for some reason the threshold could not be met.

Setting a greenhouse intensity threshold is consistent with an emissions trading scheme and with the international trend to low emissions generation technology. Setting such a threshold in law provides clear direction to industry and is economically efficient in reducing the likelihood of stranded generation assets. However there is still the need for complementary measures to ensure that Australia becomes internationally competitive in terms of greenhouse intensity and energy intensity of the economy.

Such complementary measures would include an energy efficiency target and actions, transition to renewable energy by bringing forward the Mandatory Renewable Energy Target to increase from 2008. A national gross feed-in-tariff is needed too, to encourage distributed generation and therefore...
avoid the need for costly transmission infrastructure augmentation.

Most critical and overlooked is energy market and tax reform. Current regulation means the only way to make a profit is to sell more electricity, creating perverse incentives that act against low cost greenhouse abatement activities such as energy efficiency and distributed generation.

An ETS will create a carbon tax which will filter right through society and further disadvantage the most vulnerable in our society so taxation reform must be undertaken in parallel with the introduction of the ETS.

Energy efficiency is the largest, single-most profitable energy resource and more cost effective than mining and burning coal for electricity. As the old adage goes, the cheapest megawatt is the one you save. Aggressive energy efficiency measures must be combined with a shift to renewable energy and the efficient and strategic use of fossil fuels.

The coal fired power station emission standard in this bill would complement, not interfere with, an ETS.

Market schemes need to be supported and backed up by minimum standard, below which activity is outlawed. If an emissions trading scheme is the incentive, then standards are the stick and together they provide the push and the pull that is needed to reduce carbon intensity.

This bill and the setting of minimum greenhouse emissions intensity for new power stations is a commitment to and an unequivocal statement to investors that new power stations must meet a minimum standard. A regulatory minimum is the insurance policy on an emissions trading scheme. It closes the door on any temptation on going back to the polluting clunkers that belong to the 19th century technology. It would close the door on allowing mothballed power stations like Hazelwood in the Latrobe Valley - the worst of the worst of the greenhouse polluters - from coming back on line.

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

Leave granted; debate adjourned.
academic and social benefits, including findings that:

(i) playing music:
(A) builds or modifies neural pathways related to spatial-temporal reasoning tasks, which are crucial for higher brain functions like complex maths and science,
(b) improves concentration, memory and self expression,
(c) increases reasoning capacity, time management and the ability to think in the abstract, and
(d) improves the ability to think,
(ii) learning music helps underperforming students improve, and
(iii) music students learn critical teamwork and social skills;
(b) appreciates the positive link between the well-being of Australia’s youth and their appreciation and active participation in music activities;
(c) understands the special benefits that active music making has for at risk, vulnerable and Indigenous children;
(d) acknowledges the significant contribution and effort that people from all walks of life make to their local communities through music and arts initiatives, particularly those that support Australia’s youth;
(e) concedes that many Australian children, including the overwhelming majority of children attending state schools nationally, do not have access to a comprehensive, sequential music instruction as part of their education;
(f) highlights the progress in measuring and enunciating the current scarcity of school music education, through:
(i) the Trends in School Music Education Provision in Australia report,
(ii) the National Review of School Music Education, and
(iii) the National Music Workshop;
(g) calls on all governments nationally, through the Ministerial Council on Education, Employment, Training and Youth Affairs and the Cultural Ministers Council to actively support and encourage:
(i) an increased presence and heightened importance of learning music within the various education curricula throughout Australia, and
(ii) a closing of the gap between school sectors on access to music education, and
(iii) the inclusion of meaningful and effective instruction on the delivery of school music within qualifications for school teachers; and
(h) calls on the Government to.
(i) assist all school systems nationally in their ability to deliver a comprehensive, sequential music instruction for all Australian children in the years from Kindergarten to Year 10,
(ii) increase funding for school music education programs, and
(iii) include the delivery of a comprehensive, sequential music instruction in the development of the national curriculum.

Question agreed to.

IRAQ

Senator ALLISON (Victoria—Leader of the Australian Democrats) (9.41 am)—I move:

That the Senate—

(a) notes that:
(i) despite the relative improvement in the security situation in Iraq, the Iraqi people continue to live in an atmosphere of general chaos including lawlessness, unbridled terrorism, insecurity and the spread of organised crime, and
(ii) Iraqi women are subjected to various forms of discrimination, oppression and exploitation and face violence on a daily basis, they are facing mass killings because of widespread terrorism targeting them and that heinous mur-
...dars are committed against them in broad daylight with impunity;
(b) condemns the crimes of killing women in Iraq and denounces all forms of violations of their human rights; and
(c) calls on the Government to promote an international fact-finding mission to Iraq, organised by the United Nations High Commission for Human Rights, with the participation of international human rights organisations, to investigate the crimes committed against women and to help the Iraqi authorities to identify the perpetrators and work to stop these crimes, and to:
(i) expose the criminals and those who stand behind them, and bring them to justice,
(ii) disclose the outcome of the investigations,
(iii) take measures to safeguard personal freedoms that are constitutionally guaranteed,
(iv) take deterrent measures to ensure the safety of citizens and to protect their lives, and
(v) act firmly to improve the conditions of women and facilitate their involvement in the reconstruction process.

Senator LUDWIG (Queensland—Minister for Human Services) (9.41 am)—by leave—The government is concerned about violence and human rights abuses in Iraq, including violence against women and minorities. The Minister for Foreign Affairs, when he visited Baghdad last week, raised the government’s concern with Iraq’s Deputy Prime Minister. The government is encouraged that the Iraqi government takes seriously its constitutional responsibility to safeguard the human rights of all Iraqis and is also encouraged that the Iraqi government is imposing its rightful authority over areas of Iraq recently terrorised by al-Qaeda and armed militia. As part of a $165 million three-year package of assistance for Iraq, the government is assisting Iraq to promote the rule of law and human rights in Iraq through training for Iraqi human rights workers and police. Such local capacity-building measures, taken in partnership with the Iraqi government, can address past crimes and prevent further violence. This, rather than a fact-finding mission from outside Iraq, offers the best prospects for improving the human rights situation in Iraq. The government therefore does not support the motion.

Senator PARRY (Tasmania) (9.43 am)—by leave—We in the coalition will also be opposing the motion moved by Senator Allison. Like the government, as Senator Ludwig has indicated, we abhor violence against and the degradation of women. I support the remarks of the Manager of Government Business in the Senate.

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

The Senate divided. [9.48 am]
(The President—Senator the Hon. Alan Ferguson)

Ayes…………… 9
Noes…………… 51
Majority……… 42

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

NOES
Adams, J. Barnett, G.
Bernardi, C. Birmingham, S.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Brown, C.L.
Bushby, D.C. Campbell, G.
Chapman, H.G.P. Colbeck, R.
Collins, J. Coonan, H.L.
Cormann, M.H.P. Crossin, P.M.
Eggleston, A. Evans, C.V.
Faulkner, J.P. Ferguson, A.B.

CHAMBER
Senator PARRY (Tasmania) (9.51 am)—
Mr President, I return to notice of motion No. 119. The amended motion has now been circulated in the chamber. I seek leave to move the motion, as amended.

Leave granted.

Senator PARRY—At the request of Senators Ellison, Murray and Sandy MacDonald, I move the motion, as amended:

That the Senate—

(a) notes the statements by the Government that it is gravely concerned about the deteriorating situation in Zimbabwe and that it strongly condemns the intimidation and terrorising of opposition leaders, civil society and ordinary Zimbabweans;

(b) further notes the Government’s statement that the Zimbabwean Government’s suspension of humanitarian non-government organisation activity in Zimbabwe is immoral and represents a callous move by the Mugabe regime to use food security as a political weapon against its own people;

(c) commends the commitment of African states and organisations to deploy an increased number of observers for the forthcoming election, and condemns the intimidation of domestic observers;

(d) supports the Government’s intensified efforts, including with other concerned nations and organisations, to ensure that the forthcoming election in Zimbabwe is as fair and democratic as possible; and

(e) urges the Government to use as many international bodies, including the United Nations, to put pressure on the Zimbabwean Government to return Zimbabwe to a democratic state with the rule of law and a civil society.

Question agreed to.

Senator Bob Brown—Mr President, would you record the Australian Greens’ support for that motion, please?

The PRESIDENT—I didn’t hear any noes and therefore the question appeared to be agreed to unanimously, Senator, but, yes, I can.

MARINE ENVIRONMENT

Senator PARRY (Tasmania) (9.52 am)—
At the request of Senator Abetz, I move:

That the Senate—

(a) notes:

(i) the devastating impact that marine pests have on our marine environment and valuable fisheries sector,

(ii) the particular damage that has been caused across Australia by the Northern Pacific Seastar (*Asterias amurensis*),

(iii) the support that the previous Howard Government gave to the pilot study into management of the Northern Pacific Seastar and the National System for the Prevention and Management of Marine Pest Incursions in Tasmania, and

(iv) the critical need to act to control the Northern Pacific Seastar before spawning begins in July;

(b) condemns the Rudd Labor Government for refusing to fund this urgent action; and

(c) calls on the Government to urgently reconsider its position and fund the control program.

Question agreed to.
Senator MOORE (Queensland) (9.53 am)—I present an interim report of the Community Affairs Committee on its inquiry into mental health services in Australia. I seek leave to give a notice of motion
Leave granted.

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

That the final report of the Community Affairs Committee on its inquiry into mental health services in Australia be presented by 25 September 2008.
I also move:

That the Senate take note of the report.

I wish to make a few comments on this interim report and then I intend to hand over to Senator Allison. One particular reason that we the Senate Standing Committee on Community Affairs wanted to give notice today of our committee report was so that Senator Allison could speak to this area. We all know that it is one which she has held very close to her heart and that she, with other senators, has been instrumental in bringing forward the issues of mental health in Australia. I hope people do take the opportunity of reading this interim report, because it gives an indication of the commitment that has been shared by so many people across this country to improving the areas of mental health across Australia. We, again, were astounded by the interests, the commitment, the passion and the generosity of time that was given to us by people across this country who are committed to ensuring that mental health services will be improved and that there will be a common acceptance of the need for more support for people who identify with mental health issues and also for the carers, the practitioners and the people who face this issue on a daily basis, working with them as they move forward with their lives.

That is all I am going to say about this matter, because I think it is important that other senators do have a chance to speak. Our committee will continue and, when the report is finally presented in September, we will have a series of recommendations which will clearly reinforce the need for cooperation. The only way these issues will be given the importance they demand is by all areas of government—particularly state and federal but also increasingly local government—and medical practitioners, carers and people who identify as consumers working on the issue. But now I am very keen for Senator Allison to talk to us—I hope not for the last time, but perhaps for the last time as a senator on this very important issue.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (9.56 am)—First of all, my sincere thanks to Senator Moore, Chair of the Senate Standing Committee on Community Affairs, and to the rest of the committee for agreeing to deliver an interim report on this important inquiry. I recognise that it has been done for my benefit, since I will not be around on 25 September for the final report. That disappoints me somewhat. However, when I saw the interim report, as drafted by the chair, I felt very confident that that inquiry and its report are in extremely good hands. Again, I thank the committee for taking on the first inquiry into mental health services in this country, and to you, Senator Humphries, as chair at the time, I say thank you for your efforts.

It is my view that the community affairs committee is one of the best in the Senate. We work collaboratively, we work cooperatively and we deliver excellent reports, and that is because we pick up on issues which are very important to the community. Almost all of our inquiries receive an enormous
number of submissions, even from state governments now and again, so we have that cooperation in inquiring into these very difficult and complex areas of service delivery where there is a crossover of jurisdiction and responsibility between state and federal governments. Mental health is probably one of the most complex areas in respect of crossing over jurisdictions.

As I said, I was enormously pleased with the interim report. It succinctly covered the issues. I thought our first report was very comprehensive. The recommendations we made were sound, so we felt it was important that we followed up with a second report to look at the COAG process. An enormous amount had changed since the previous report. Not only did we liberate $6 billion worth of new mental health services from the Commonwealth, state and territory governments but it seems that our work in this place has generated a lot of thinking about mental health and, if I can be so bold, has even encouraged state and Commonwealth agencies to work much more closely together for a common aim, instead of engaging in the usual buck-passing and cost shifting that we have seen in the past. I count that as one of my most important actions on behalf of the committee since I have been here and that, I think, says something. When you understand the effect of mental illness on the lives of people and their families who are directly impacted you begin to understand the scope of the problem. I think it is fair to say that in the past in this country we have, as have many countries, tended to bury this issue and not tackle it directly head-on. We discovered in the first inquiry and in this one that, whilst there was adequate care—although even that was under pressure at the acute end of the mental illness spectrum—people whose illness could be interrupted, intervened upon, even prevented were being ignored in the whole process.

This penultimate report is the sum of an enormous amount of work which is being done not just by our committee but also by agencies who have put in the time and effort to make submissions, who have appeared before our committee right round the country. It is a collaborative, collective effort of many people, and I want to acknowledge that. I want to thank the secretariat for their work. This report was done in record time and, as I said, it is very rare for me to look at a report prepared by the secretariat and have absolutely no corrections I want to make or additions I want to put to it. I just read it and I thought, ‘Yes.’ Congratulations to the committee for delivering that report. It was a great pleasure to read and it certainly reflected all of the key issues. I know the next report will come out with much more detail. It will have what people actually said to us in submissions and in evidence given before the committee and it may have some recommendations—I do not know what they will be—but I am very confident in the ability of the chair, Senator Moore, to deliver an important report again. In all, I am enormously pleased to have been part of this process. I know that it makes a difference to people’s lives in a way that probably not much else in this chamber that we do does.

Mental illness touches one in every five families at least. We know the prevalence of mental illness. We know the shortcomings of our system. We know the number of people who are homeless, who are unemployed, who fail to get services, and this committee has been able to do something about that. It was a record response by the Howard government to this. I think we had the cheque for $1.9 billion on the table within days of tabling our last report. That must be a record in this place. The department and the government showed a keen interest in the whole of our inquiry. I understand we had departmental people who were monitoring the
whole process, so they were benefitting, if I can put it that way, from the evidence that we heard very directly and very immediately.

All in all, it was a very pleasing response. But it did tell us, as I said, that the $4 billion was not enough, that the level of spending on mental health services still did not match what is called the DALYs, the disease burden on the community, and that mental health has always been the poor cousin of other areas of health in terms of a unmet need and attention to this difficult area. And the committee found that there were some aspects of the COAG proposals which we thought could have been done better. In fact, we would just rather that all state and territory governments had picked up on all our recommendations.

However, there are other points of view and clearly some of those recommendations were taken up and some were not. One of the central questions here was whether or not we were getting good return on the investment. An extra $4 billion is a lot of money to be spending on mental health, so central to this second inquiry was the question, in relation to our evaluation and our collection of data, of whether even at a later stage—it is early in the process—we would be able to look at the data and say, ‘Yes, this works.’ I think central to what we found was that it is possibly not the case and that we need to be much better at evaluating the programs that are in place and seriously questioning whether they are best practice.

Unfortunately, in mental health as in so much else we inherit an existing system which is a mix of public and private, a mix of providers, and if you just tweak around the edges you probably do not get as far as might be possible if you had a clean slate. So we have to work with the systems that we have, and that is certainly what the government has done. But I think we need to look carefully at how effective that is.

Our second inquiry provided us with important mechanisms for identifying the problems with the new initiatives and to highlight the service gaps and shortfalls which still remain, as well as showing us that progress had been made and it was substantial. A long overdue injection of funding has allowed the provision of more community based services along with much greater access to clinical services provided by psychologists and other allied health workers. That is perhaps one of the most important initiatives that was taken up by the previous government and continued with this government—the ability of general practitioners to be able to refer patients to, particularly, clinical psychologists. They were the ones who did most of the consultations for people to get what we call the talking treatment, to not just be put on medication and pharmaceutical products but be able to have their needs met by other professionals, who, to be honest, will have much more training in mental health than many GPs, who may go through their undergraduate medical courses without having done any training in this area. It is not that they are not doing a good job; the question is, is it good enough?

Some of our responses—at least mine—to the COAG proposals were negative, and I have to say that the Personal Helpers and Mentors Program was one of those. Again, an enormous amount of money was to be spent on this, and some of us were sceptical about whether this would work. It did not seem to have been integrated into services and that was a central theme of our first inquiry. But it turned out that this had been—

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Senator, could you just quickly say some final words?

Senator ALLISON—This was one of the programs, I think, which worked through the
system and was very effective in the end so—

The ACTING DEPUTY PRESIDENT—
Thank you, Senator.

Senator ALLISON—I seek leave to incorporate the remainder of my remarks.

Leave granted.

The remainder of the speech read as follows—

The enthusiasm for the Personal Helpers and Mentors program is testament to the positive experiences that new services have provided for many people who may not have been accessing services otherwise.

That is not to discount the concerns that exist about the ability of the program to accommodate those with more complex needs or the limited geographical reach of the service.

Equally we can not overlook the concerns that the Better Access to Mental Health Care program may be benefiting most those who were already accessing services and can afford to pay the large out-of-pocket costs, while those that live in areas with a shortage of mental health professionals or who can not afford the gap payments continue to go without.

The essential message of this interim report is that more remains to be done.

Services are still patchy and inconsistent. Many areas still need more mental health care and we need more carer and consumer involvement.

Coordination of services still need improvement and state and territory government have not yet truly engaged with the critical issue of accommodation and employment for people with mental illness.

Affordable housing and accommodation are fundamental to achieving other mental health outcomes while employment is important for maintaining mental health and as part of the rehabilitation and recovery journey for people with mental illness.

Unfortunately the COAG response was predicated on working within the exiting structures and framework for mental health service provision. This means that any improvements to mental health care will always be limited by the lack of a coherent national vision underlying services.

Without this we will continue to see ad-hoc, uncoordinated and opportunistic service delivery.

This is why it is disappointing that the federal Government have not taken the opportunity to pursue the Senate Select Committees recommendation of a network of community-based mental health centres staffed by multidisciplinary teams.

Such an approach would provide the structure for seamless, co-ordinated and integrated care.

And act as a focus for the many solutions for mental health which lie outside of the health sector.

This report continues the Senate’s contribution to the development of better services for people with mental illness. And no doubt the final report, which will contain specific recommendations, will continue the dialogue.

However while the regular attention of the Senate is beneficial, it is no replacement for a more permanent accountability mechanism with an ongoing role of systematic monitoring, evaluation and reporting on mental health services ...including progress or lack thereof in improving the lived experiences of people with a mental illness.

There are many mental health strategies, plans and activities at all levels of government but without measurable outcomes and regular collection of data to see if programs are delivering on health outcomes and services it will be difficult to know whether the additional money we are spending is well-targeted and services are going to those who need them most.

Perhaps the recently announced National Advisory Council on Mental Health will be resourced to undertake this role. If so it is vital that it is able to operate independently of government and that consumer and carers are intimately involved.

I would like to end by thanking the secretariat for the efforts they have put in to bring together this interim report. They have done a great job.

And also by acknowledging and thanking all those who put in submissions, attended hearings and shared their stories with the Committee. Their
commitment and efforts to improving mental health care, often over many years, is invaluable.

Senator O’BRIEN (Tasmania) (10.06 am)—I seek leave to incorporate Senator Polley’s speech.

Leave granted.

Senator POLLEY (Tasmania) (10.06 am)—The incorporated speech read as follows—

Mr President I rise to speak on the interim report into the state of Mental Health Services in Australia.

Before I start please let me express my thanks to Elton Humphrey Secretary of the Community Affairs Committee and all the members of the secretariat who do such a good job in making sure we are able to put together these reports. They are a valuable resource to all of us and without them I doubt we would be able to do half as much work.

I would also thank the community and other organisations, Government Departments and State Governments as well as the individuals who took the time to present submissions to us. There are also all those we met with in New Zealand earlier this year regarding Mental Health issues. The trip to New Zealand was certainly informative and gave us a good understanding of how those on the other side of the Tasman are handling similar issues.

We heard during the course of these hearings that there has been some progress towards many of the initiatives in the COAG plan that was set forward by the previous Select Committee on Mental Health, but that there is much work still to be done. However, since this is still only an interim report we are not able to present any recommendations at this point - these will follow in due course and will provide a greater insight into areas that can be improved or changed.

For a long time Mental Health was one of those issues that were rarely talked about in the public sphere. From serious illnesses such as schizophrenia to the darkness of clinical depression, these issues were hidden away and not readily discussed. The fact that nearly 1 in 5 Australians will experience some form of mental illness each year, that will cost the country almost $9.6 billion in lost productivity shows just how important the treatment and management of mental illnesses are.

Thankfully we have moved past that and into an era where we treat these issues for what they are - diseases that can cripple individuals as surely as any other. It’s important that we have frank discussions on mental health in order to get better outcomes for all concerned.

As I stated earlier the previous COAG plan made some progress towards implementing the National Mental Health Strategy. In addition to that progress, the recent Federal Government announcement of the establishment of a National Advisory Council on Mental Health to act in an advisory capacity is a step in the right direction. The council will be able to provide independent advice to the Government and will hopefully include consumers and carers.

Through the course of this inquiry we have heard from the various interest groups that there are still a number of issues that we can do better. The main one that seemed to stand out is coordination of mental health services.

Further coordination is required in both the provision and the running of mental health services - and it is in this area that the Rudd Governments National Advisory Council can help, by articulating a consistent national approach and bringing together all levels of government. This can deliver the better outcomes that I talked about earlier.

I should also point out, and I think it is mentioned in the report itself, that the links between mental health services, and those assisting alcohol and drug dependent individuals was a key area that should be further looked at. It is important that any strategy for helping the mentally ill recognises that these other facets can contribute to mental illness.

In many ways, treating mental illness in a vacuum without looking at the various societal pressures that can contribute is treating symptoms without looking at the causes. At the end of a day, a considered holistic approach will be much more beneficial than a piecemeal one.

With regard to my own state, it was pleasing to read the Tasmanian Government submission and
see that the Government has put a great deal of thought into its own efforts with regard to supporting mental health services, and identified many of the same issues in the state that we ourselves have noticed on a Federal level.

Tasmania’s own COAG Mental Health Group, set up after the recommendations of the previous Select Committee, has developed its own model for collaboration between the various sectors in this area. It was also pleasing to hear how the Tasmanian Government is planning to improve mental health outcomes within our state.

I’d like to commend the Tasmanian Labor Government for their efforts, and all the work that has already been done to help those who suffer from mental illness, their families, carers and other support groups. It has been great to see and I hope that they continue their efforts.

This inquiry has certainly been something that I am proud to have been involved in. The state of our mental health services is something that should be continually looked at and evaluated, and I am glad that that Government has taken up this challenge through the establishment of the National Advisory Council.

I am sure that when the final report is delivered we will have been able to put forward some recommendations which will show where real improvement can be delivered for the mentally ill.

I commend this interim report to the Senate.

Question agreed to.

Treaties Committee

Report

Senator SANDY MACDONALD (New South Wales) (10.07 am)—On behalf of the Joint Standing Committee on Treaties, I present report No. 92 of the committee, Treaty tabled on 4 June 2008, and move:

That the Senate take note of the report.

Report No. 92 contains the recommendation by the committee that binding treaty action be taken in relation to the United Nations Convention on the Rights of Persons with Disabilities. This convention will promote, protect and ensure the human rights and fundamental freedoms of all people with disabilities and promote respect for their inherent dignity. It obligates governments to eliminate discrimination in a range of areas, including marriage, parenthood, education, health, employment and standing of living. The convention also contains provisions specifically relating to the protection of children, ensuring individuals are recognised before law and providing equal access to facilities and services. The convention reflects and affirms the protections already existing under Australia’s domestic laws and has received widespread support.

The Attorney-General and Human Rights Commissioner both represented to the committee the advantages that early ratification of this treaty would provide for Australia. Through timely ratification, Australia will have the opportunity to participate in selection of the Committee on the Rights of Persons with Disabilities. This committee will be comprised of persons with high moral standing and recognised competence and experience in the areas covered by the convention and will monitor and promote its implementation. The Secretary-General of the United Nations is expected to invite nominations no later than 3 July 2008 in accordance with the convention’s provisions. Australia must be a party to the convention in order to participate in this process.

Australia has a longstanding commitment to uphold and safeguard the rights of people with disabilities and has played an active role in negotiations for the convention in the first place. The committee considers it is important for Australia to continue to take a leading role in promoting the rights of people with disabilities. One way to do this is to ensure that we have the opportunity to participate in the nomination process for the Committee on the Rights of Persons with Disabilities. The committee has taken the slightly unusual step, therefore, of tabling this short report to allow ratification to pro-
ceed as quickly as possible. The committee recognises that this will truncate the opportunity for interested persons to make submissions about the treaty; however, the committee will consider any other issues in the framing of its final report, which it intends to table at a later date. The committee encourages the government to ratify the convention as quickly as possible. I commend the report to the Senate.

Question agreed to.

EVIDENCE AMENDMENT BILL 2008
First Reading
Bill received from the House of Representatives.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (10.11 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 LUDWIG (Queensland—Manager of Government Business in the Senate) (10.11 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—

EVIDENCE AMENDMENT BILL 2008

This bill marks an important step in evidence law reform.

Members would be aware that the Commonwealth, New South Wales, Tasmania, the Australian Capital Territory and Norfolk Island have been part of a Uniform Evidence Law regime for over 10 years.

In 2005, the Australian, New South Wales and Victorian Law Reform Commissions were asked to inquire into the operation of that regime and to propose updates and amendments. Their work took 18 months, involved consultations in every State and Territory and more than 130 written submissions. This culminated in their report Uniform Evidence Law.

The Commissions reported that the uniform evidence laws are working well. They found no major structural problems with the legislation or with its underlying policy. Their recommendations were aimed at fine tuning the Acts and promoting uniform evidence laws that are more coherent and accessible; less complex and reform unsatisfactory and archaic aspects of the common law. These reforms will increase efficiencies for the courts, legal practitioners and business and in turn, benefit the broader community who access the courts.

In developing this bill, the Commonwealth has worked constructively with the States and Territories through the Standing Committee of Attorneys-General. The Standing Committee established a working group which considered the Report’s recommendations and developed a Model Bill that implemented many of the Commissions’ recommendations. The Model was also considered by an Expert Reference Group. The Standing Committee endorsed the final Model Bill at its meeting in July 2007.

The Evidence Amendment Bill varies from the SCAG Model in only two regards - it does not introduce a professional confidential relationship privilege and does not extend existing client legal privilege and public interest immunity to pre-trial proceedings. These are matters that have been canvassed in the media extensively. The Government notes they are significant issues and we will be considering these matters separately.

It is appropriate that the Government considers issues relating to privilege as it develops its response to the Australian Law Reform Commission Report Privilege in Perspective, which I tabled earlier this year.

I can also advise that the Government’s election policy, Government Information: Restoring Trust and Integrity, included commitments relating to journalist shield issues, and the Government is working on implementation of these commitments.
Many of the amendments proposed in this bill today are largely technical and in some cases they address developments in case law. For example, the amendments:
- provide further guidance on the hearsay rule
- introduce a general test for the coincidence rule
- help to ensure the reliability of admissions in criminal proceedings, and
- provide that the court may make an advance ruling or advance finding in relation to any evidentiary issue.

This bill also contains some significant reforms. For example, it extends compellability provisions in the Evidence Act to ensure that same-sex couples cannot be compelled to give evidence against their partner. This supplements the work being done by the Government to remove same-sex discrimination from a wide range of Commonwealth laws.

The compellability provisions will also be extended to provide that de facto partners who may not cohabit but are in a genuine de facto relationship will have the same right to object to giving evidence against their de facto partner in a criminal proceeding as currently exists for a married spouse.

The bill also provides new exceptions to the hearsay and opinion rules for evidence/opinion given by a member of an Aboriginal or Torres Strait Islander group about the existence or non-existence, or the content, of the traditional laws and customs of the group. The oral tradition of Aboriginal or Torres Strait Islander’s traditional laws and customs does not fit well within existing hearsay and opinion rules. Yet, evidence of these matters is relevant in a variety of areas such as native title, family law, criminal law defences and sentencing. These amendments will make that evidence easier to provide and more appropriately reflects how knowledge of traditional laws and customs is recorded.

This bill also addresses the misconception that the evidence of children is inherently less reliable than that of adults. Specifically the bill provides that warnings by a judge as to the reliability of a child’s evidence should only be given where there are circumstances particular to the child witness that warrant a warning. Research conducted in recent years demonstrates that children’s cognitive and recall skills have been undervalued. For example, the joint ALRC and HREOC report Seen and Heard: Priority for Children in the Legal Process noted that very young children are able to remember and retrieve from memory very large amounts of information, especially when the events are personally experienced and highly meaningful.

These reforms will apply generally but will have particular significance where the child witness has been the victim of an offence.

Also, the bill recognises that the standard question and answer format for giving evidence may be unsuitable for a number of witnesses, such as children, and people with an intellectual disability. Its provisions extend the use of narrative evidence by providing the court with the power to direct a witness to give evidence wholly or partly in narrative form. This gives the court flexibility in receiving the best possible evidence.

Again these reforms will apply generally but will have particular significance where a child or a person with an intellectual disability has been the victim of an offence. Of course, before making such a direction the Court will take into account a range of matters, including fairness to all parties. The fact that these provisions have been introduced, in the context of children and people with an intellectual disability perhaps being among the most vulnerable in our community, is a significant advance.

Further, this bill revises the test for determining a witness’s competence to give evidence. This will enhance the participation of witnesses, including children and persons with an intellectual disability, in proceedings and ensure that relevant information is before the court.

Finally, the bill introduces a duty on the Court to disallow improper questions put to a witness during cross-examination. This includes questions which may be misleading or unduly harassing, intimidating, offensive or repetitive. This replaces the current approach which permits a Court to disallow such questions. The Commissions’ Report had found that this approach in practice had not provided a sufficient degree of protection for vulnerable witnesses.
I am pleased to note that the New South Wales Government has already implemented the model evidence reforms and that Victoria and other jurisdictions have signalled their intention to join the uniform evidence scheme.

In addition to implementing the Model Evidence Bill, this bill amends the Amendments Incorporation Act 1905, which will be renamed the Acts Publication Act 1905. These amendments will provide for certain printed and electronic versions of Acts (including compilations of Acts) to be taken, unless the contrary is proven, to be a complete and accurate record of those Acts. This will facilitate parties before the courts being able to prove the current state of the law. This is a practical reform to improve the accessibility of freely available authoritative information about Australia’s laws and will allow courts to rely on electronic versions of Commonwealth Acts.

I commend the bill.

Debate (on motion by Senator Ludwig) adjourned.

HEALTH INSURANCE (DENTAL SERVICES) AMENDMENT AND REPEAL DETERMINATION 2008

Motion for Disallowance

Senator COLBECK (Tasmania) (10.12 am)—I move:

That the Health Insurance (Dental Services) Amendment and Repeal Determination 2008 made under section 3C(1) of the Health Insurance Act 1973 be disallowed.

The opposition has considered this question very carefully before taking the serious action of moving this disallowance. We did not move this motion capriciously, but we are strongly of the view that the enhanced primary care dental access scheme, colloquially called Medicare dental, has, since its establishment last year, been of immense benefit to many Australians suffering chronic and complex dental conditions. The leading peak professional bodies for the dental profession, the Australian Dental Association and the Association for the Promotion of Oral Health, have both criticised the Rudd government for the abolition of the EPC dental access scheme. Associate Professor Hans Zoellner, who is the current president of the Association for the Promotion of Oral Health, has condemned the government’s decision, pointing out the folly of replacing a scheme which provided significant care for chronic conditions with a plan that provides for check-ups and examinations but no funding for continued treatment if any significant problem is found. The Teen Dental Plan is in fact in danger of becoming a cruel hoax.

We all know how much the states have neglected their public health schemes, in spite of increased funding for the provision of such services through GST revenue. I do not think the prospect of a large group of young Australians adding to the long queues at these clinics will achieve anything. It is shocking to discover that there are people on state dental lists who have been waiting for three years for dental treatment and then, after they finally get to see a dentist, have to join another queue and wait for another three or four years if they need any significant work. If this sounds like an exaggeration, I assure the Senate it is not. In Australia, who should shoulder the bulk of the blame for this criminal state of affairs? The states should. They have criminally neglected their constitutional responsibility for public dental care over the last 30 or 40 years.

The EPC dental access scheme provided up to $4,250 over two years to chronic disease sufferers. Many of these are, as Associate Professor Zoellner has pointed out, people who suffer from cardiac irregularities or other conditions which are physiologically linked to oral care. Indeed, amongst the severest critics of the Rudd government’s decision to abolish the EPC dental access scheme have been groups representing HIV sufferers. One of the consequences of HIV is a major increase in the likelihood of significant den-
tal decay, and the Howard government’s scheme was of great assistance to sufferers in this category.

The Labor Party, and in particular Ms Roxon, the Minister for Health and Ageing, have claimed that the Howard government’s Medicare dental scheme deserved, in their words, to be scrapped because few people were using it. The facts, though, shoot that claim right out of the water. It was reported in the *Australian* on 17 May that the number of services performed under Medicare dental had recorded a 25-fold increase in the previous five months. That merits repeating: a 25-fold increase. As Dr Hans Zoellner has said, these statistics make a lie of Labor’s claims that the scheme was not working.

I was very proud to be part of a government which, in recognising the link between oral health and general health, set up Medicare dental. Yesterday, in the debate on the Dental Benefits Bill 2008, I mentioned some of the uptake figures for Medicare dental. I will repeat those figures. The uptake in the first two months, November and December 2007, was 16,000 services. In January this year, according to statistics provided by Medicare, 20,443 services were administered. In February the figure was 40,497 and in March it was 94,617. In total, over 300,000 services were provided under the scheme. It is therefore clear that not only is there a serious need for Medicare dental but the replacement of Medicare dental by a scheme which has no provision for post check-up care is woefully inadequate.

Under the Enhanced Primary Care dental access scheme, patients who are assessed by their general practitioners as having complex dental conditions are able to have a primary care plan. From this care plan, a patient is then able to be referred to a private dental practitioner and receive up to $4,250 worth of treatment over two years. But that would have been abolished by these regulations. The Labor Party will talk about the failure of the scheme since 2004, but we know that that was a different scheme. In fact, Senator Ludwig mentioned the statistics in relation to the scheme that was put into place in 2004 in his contribution on the Teen Dental Plan yesterday. But it is in fact a different program. What we are talking about is a new program that was announced in the budget last year and which came into effect in November. It is quite clear from the statistics that this program is needed and is having an effect. The Labor Party will try to confuse and mislead, but it is clear that this program is one that is required by the community.

At estimates, when we asked what happened to people who had not completed their treatment under this program, we were told that they could join the queues in the other programs that were available. That is clearly not good enough. During the election campaign, Labor promised to be the champions of dental health. In fact, they promised to spend $800 million on health. As we have heard a number of times since that time, we have had four different costings for the Teen Dental Plan. Prior to the election, when they first made their promise, they promised that it would cost $510 million. That is what they told us. Combined with their other dental program, for $290 million, they promised to spend $800 million on dental over the term of this parliament.

**Senator McLucas**—It was $700 million over four years.

**Senator COLBECK**—No, Senator McLucas, it was over the term of this parliament, and I will come to that in a moment. The costings were then provided to the Department of Finance and Deregulation for costing, and the figure came down to $324.5 million and—

**Senator McLucas**—Before the election.
Senator COLBECK—That is a very important point that you make, Senator McLucas, because before the election, in the Weekend Australian on 1 December, a spokesman for Minister Roxon said that Labor ‘yesterday stuck by the party’s commitment to an overall dental health budget of $800 million this term’. Not over four years or any other period; they committed to spending $800 million over the term of this parliament. Now, at this point in time, they are anything up to $186 million short of that commitment with their forward costings.

As I said, they have had four costings so far for their Teen Dental Plan. After it went down to $324.5 million in the accounts put out for the February estimates, there was a press release put out a few weeks later which said it would be $360 million. Then, in the budget papers, we find that it will be $345 million over the three years prior to the next election. So that is in fact the fourth costing that Labor has put out for the Teen Dental Plan.

We know that they had no conversations with the states prior to the election about how this scheme might work; we know that they are still negotiating with the states about how it might work and how it might fit into their programs. There are teen dental programs in every state. There is no understanding of how this program might interact or how in fact the states may decide to move out of some the services that they are currently providing. In the light of the complete confusion of the government with respect to the provision of dental services—complete confusion and a complete lack of knowledge about how their new programs are going to interact with the system—they seek to remove a program that has demonstrated demand, has support from the industry and is clearly providing much needed services. They have provided no sense of how they intend to keep their election commitment to spend $800 million. We are prepared to help them; we can help them by ensuring that this program continues into the future.

We do not believe it is acceptable that people who are currently on this program can effectively just go back into the public dental health system in the states, although only 10 per cent of the dentists who operate in the overall dental health system are in the public system. The government are expecting the people who are currently on this program to effectively just roll back into that system. We do not believe that is acceptable. This program provides people with chronic illnesses and significant issues to get over $4,000 worth of services over two years. We believe, quite fairly in my view, that it is a very responsible action on behalf of the opposition to deny the government the opportunity to close down a program. Yesterday we put in place some review programs to review the teen dental program. So there is an opportunity for the parliament and the community to satisfactorily scrutinise the operation of the teen dental program. The government have just passed off and said, ‘Look, if you want to know how well it’s working, just look on the website.’ But that will not tell us what the interaction will be with the states and their programs. It will tell us nothing of that. We have already started to see the government’s record in actually putting information on websites; that was demonstrated in question time yesterday.

There is a really concerning trend that is coming through with respect to the government’s actions. You really have to wonder whether they are moving down the path of nationalising health. We have seen concern with respect to registration expressed through the medical profession. We have seen the attacks on private health insurance. We have seen the government renege on promises at the Mersey hospital in Tasmania—in fact, through that process, they al-
most showed no faith in the private system. They are funding all their dental programs through the states. The medical profession are actually now talking; they are concerned about where this government is heading with its overall health program.

As I said at the outset, we do not take this step lightly and it is not a political stunt, as has been claimed. We see very good reasons to maintain this program which, as I have said, is being used and has strong demand. If the Rudd government had moved to replace the enhanced primary care dental access scheme with something which allowed the same sort of access then we would be likely to support it. But that is simply not the case. However many lies and mirrors the minister may use when she tries again to spin a different line to the media and the public, we believe that our actions in this particular case are well founded.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (10.25 am)—I will be very brief. I have been positive about the switch from dental services for people with chronic illnesses to, suddenly, teen dental care, as proposed in the government’s election platform and budget. I can see a good need for there to be a service for teenagers. But, as I pointed out the other day in our debate on that bill, I think it does not go far enough. I will be listening with interest to the minister’s response to this disallowance motion. I think it would be good to have some sort of policy substance behind these proposals. I am not even sure that the proposal on dental care for the chronically ill, the Enhanced Primary Care Program, was necessarily the thing that was most needed. Unfortunately, too often in this place major policy changes are based on how they will play out in the media and with the general population rather than being based on very sound evidence. Perhaps we should have had an inquiry into dental health in the Senate Standing Committee of Community Affairs. We could have come up with recommendations and we would have all known where we stood on what should have been the highest priority. To dance from one program to another without really having much by way of policy justification seems to me to be unwise. I am interested in what the minister has to say about why we should not disallow the repeal of this program which, as Senator Colbeck says, appears to be working. I do not know what faults the government has seen in the program, but I hope the minister can cover those in this debate.

Senator LUDWIG (Queensland—Minister for Human Services) (10.27 am)—The arrogance and, more, the hypocrisy that the opposition have now outlined in their opposition to the teen dental program are really breathtaking. Even more breathtaking is the position that they are now advocating where they say they are taking a responsible course of action in respect of this disallowance motion. It is not a responsible position they are adopting at all. It was a matter that was clearly put before the Australian public prior to the last election, where the choice was stark. It was the choice for the future of Mr Rudd, the Prime Minister, or the opposition, who were out of touch and had completely lost their way. The public made their choice. They made it on the election commitments that the Rudd government put forward. This program was one of the central planks that the Rudd government put forward.

The opposition had their program on the plate. Their program did not meet the test. It did not win; it was a failed scheme, which they need to recognise and accept. Look at the hypocrisy that the opposition now try to confuse us with, when they say, ‘In truth, it’s a states matter.’ That is what the opposition started their argument with: dental health is a matter that should be dealt with by the states.
What the Rudd government is doing is ending the blame game. What the opposition want to do is maintain the blame game, continue to blame states and continue to harp about the failure of states. But it belies the truth in the debate. It belies what the opposition did when they were in government—they ripped $100,000 out of the health and dental area and axed $100 million a year from the CDHP as soon as they were elected. That really ends the blame game because the states were left holding the can and had to deal with it.

Then the opposition argued that the states have behaved in a criminal way. But it was criminal the way the opposition axed $100 million out of the CDHP program when they were in government. What they are arguing now is: ‘We’ve jumped on our white horse and we’re now going to ride back in and save the states.’ That is not ending the blame game. Prior to the election they put their proposal before the Australian public, but the Australian public judged fairly that they had created the mess and that their white horse riding in to fix the mess was not a white horse but a donkey. It was not a process that was going to come up with an outcome, and the record is clear as to what their input was.

The disallowance motion today is an irresponsible act by an opposition that still cannot accept that they lost the election, that the reins have passed to the Rudd government and that they have to let go of the reins. They still cannot accept that the programs we put forward and outlined on 13 May in the budget speech, our election commitments that we are delivering on, and want to deliver on, are the way in which the Australian public have said we should proceed. The opposition are now saying, ‘We want you to continue our failed program. We want you to continue to look at the issues that we were running prior to the election.’ Well, wake up; the world has changed. What the opposition have to do now is to accept that the world has changed and stop beating the drum for yesterday.

The dental programs that we have announced will have a significant impact on Australia’s dental crisis. The government is providing a total of $780 million over five years for additional dental services. This government is getting serious about these issues, unlike the opposition when they were in government. They are in truth crying crocodile tears about dental health. If they really care about dental health, they need to explain why they ripped $100 million a year from the Commonwealth Dental Health Program and ignored dental health as an issue for more than a decade. I did not hear that in the opposition’s faint defence of the disallowance motion. It was not raised. The only defence that was raised is that it is not the former Howard government’s fault; it is the fault of the states—let us just blame the states again! They are playing the blame game, but the real issue here is the 650,000 people they left to languish on public dental waiting lists. That is the real issue here, which they did not face up to over 11 years. They blamed the states. They are now trying to say, ‘Oh, our last belated attempt might help.’ They have been judged badly on that.

The Howard government belatedly introduced a dental scheme—the now opposition were starting to champion the referral processes, if I heard it correctly in their contribution today—but it was rife with complexity, restrictions and processes and eligibility criteria that were complex and so restrictive that few people would have been able to access it. But let us just pause for a moment. It is a serious issue. We acknowledge that some people did get help from the program—that is true—if they could navigate the complex referral process and red tape. But the sad fact is that many who tried to access the scheme could not get the assistance they required.
A few people, the most needy in our community, were let down. They were not let down in the dying days of the Howard government but over the last 11 years of the Howard government. The poorest people with the worst dental health did not get access to the previous government’s failed scheme. If you did not have the means and you had bad dental health because of the circumstances you found yourself in, you could not get treatment under the program. However, if you were wealthy and you had serious dental problems, you could get access to the program. That meant that people who were well-off could get access but people who needed care—a pensioner with an excruciating toothache, for example—could not get assistance.

That was the scheme they were championing, but we did not hear that from the opposition. What we heard from the opposition was a pitiful defence: ‘Oh, it is a disallowance motion; we want to continue our scheme and we want to try to help those people in the dental health area.’ Well, recognise that this government is actually taking action and support the bill that has passed, support the continuation of our program and support the measures that we are putting in place. If you want to act like a responsible opposition, then hold us to account for our programs; hold us to account to ensure that we do deliver what we have set out to do and hold us to account to ensure that we help those people in the community who are most needy and do not simply continue on with your scheme from when you were in government.

With regard to the people that those on the other side were championing, over four years to 30 April 2008, for example, in the whole of the Northern Territory no services at all were provided to children and young adults aged up to 24, even though the Northern Territory had some of our poorest and most marginalised Indigenous communities. As I said yesterday, over the same four years in South Australia no services—zip, zero—were provided to children up to the age of 14. This meant that during the entire term of the Howard government no child born and raised in South Australia or the Northern Territory got any assistance at all from the previous government’s failed dental scheme.

The opposition have to realise that they had 11 years to act. We had no action from them over the 11 years; all we have had from them was a last-ditch attempt to resurrect their failed scheme and address their failures over the 11 years. It was too late. It was not well constructed and, more importantly, the Australian public recognised that they were being conned. The white horse to end the dental problems was nothing more than a con. The public recognised that the previous government had an opportunity to act over 11 years and did not. The public also know that the current opposition were the ones that took $100 million out of the system and axed the program so that they could start the blame game and blame the states. The public were not going to be fooled by that and they made their decision. The opposition really do need to move on from where they were.

If you look at other states, the picture is similarly poor in large states. Only 52 people in Queensland under the age of 20 accessed the previous government’s program over four years to April 2008. On average that is only about one young person a month over four years across the whole of Queensland. Only 94 people in the whole of Victoria under the age of 20 received services in nearly four years. On average, that is only about two young people a month over four years from the whole of Victoria. These figures are the opposition’s proud record. They should be ashamed of it. It makes it clear that the previous government over their four terms failed to address the real needs in the community.
The Rudd government are supporting up to a million additional consultations and treatments targeted at those most in need through our $280 million investment in the Commonwealth Dental Health Program, and 1.1 million eligible teenagers will have access to preventative health checks through our $490 million investment in the Medicare Teen Dental Plan. In disallowing the closure of the failed chronic disease dental program, the opposition will be opposing the savings that will help pay for the Rudd government’s better targeted programs. They are undertaking a thoughtless opposition for opposition’s sake. It is opposition to say no to anything, to cling on to the Howard government’s failed programs, to cling on to the Howard government era. It is time that they moved on and behaved like a responsible opposition.

The Liberal Party have chosen between—and this is very clear—responsible economic management and responsible health policy, and short-term cheap politics, and they have taken the latter road. They have taken the low road, the road of cheap politics, by using the Senate to disallow this process so that their scheme cannot be wound up and closed. They do not want to debate a policy issue; they want to use Senate processes to keep their scheme alive. They need to understand that the time has come to move on and take the reins of being a responsible opposition. I wish you well in that task; you have not addressed it yet. You might get there ultimately. I hope that you do at some point because any government needs a responsible opposition to hold them to account, scrutinise their legislative agenda and scrutinise their policy initiatives—not one that is going to pursue cheap politics, particularly at the expense of people’s dental health.

We have also found that this is really just a cruel hoax by the opposition. They are not going to address it. They cannot address it from opposition. They should not try to cavil with the government’s policies on this; they should allow us to continue to roll out our policies to ensure that we can make a difference and work cooperatively with the states—unlike the former government.

Senator McLucas (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (10.42 am)—The opposition’s motion to disallow this determination closing the Howard government’s failed chronic disease dental scheme is a further example of an irresponsible, reactionary approach to policy. Essentially we saw that over the last 11 years, particularly in the former government’s approach to dental health. This opposition is crying crocodile tears about dental health—displaying a new-found interest in dental health, as the minister has just outlined.

If this opposition really cared about dental health, why did they take $100 million a year from the Commonwealth Dental Health Program as one of their first acts when they came into government in 1996? That program had been reviewed and found to be extraordinarily successful in reducing the waiting lists for public dental care, and yet one of the first things they did in 1996 was remove the Commonwealth’s contribution through the Commonwealth Dental Health Program. Why did they then ignore dental health as an issue for almost a decade? The shadow parliamentary secretary has just outlined their new-found interest in dental health, indicating that in November last year the first action of this program came into effect. Something else happened in November of last year that Senator Colbeck—

Senator Colbeck—Why are you talking about a program that’s four years old?

Senator McLucas—I will talk about the four-year program, if you want to talk about an absolute failure, or we could talk
about the EPC dental access program that started when? November 2007. That is when the current opposition finally realised that dental health was apparently somewhat important.

We have all received, over the time we have been in this place, letters particularly from pensioners explaining their difficulty in getting service for their teeth. One hundred million dollars a year over 11 years would have been an enormous assistance to ensure that pensioners, in particular, had some access to dental treatment. But, all of a sudden, this new-found interest in dental health was realised by the former Howard government—you are right, Senator Colbeck—about four years ago. If you want to go to real failure in public policy, let us go to the original dental scheme—or so-called dental scheme—that the Howard government introduced some four years ago. It was not a dental scheme at all; it did nothing to assist people in need in terms of their dental health; it provided very limited assistance.

Dental services could be provided under the scheme introduced four years ago to people if their GP considered their dental health was exacerbating other chronic diseases with complex care needs. The referral processes and eligibility criteria were so complex and restrictive that very few people—and Senator Colbeck knows this—were able to access it. It was not a dental scheme, because simply having bad dental health did not get you into the scheme. If you had poor dental health because you could not afford to go to a private dentist, your teeth had deteriorated and you were in pain, that was not enough; you had to wait until you developed a chronic disease as a result of your bad teeth before the Howard government would assist you. If you were wealthy and had a chronic disease with complex care needs, you were in as long as you could negotiate the red tape. Of course, we all know, those people with more assets are always able to negotiate red tape far more effectively than those with fewer assets can.

We acknowledge that some people did get some help from the program if they could navigate their complex referral processes and the red tape but many in the community, often the neediest in the community, did not. A millionaire could get access to the program if they had a chronic disease as a result of their poor oral health once they got through the red tape, but a pensioner who had excruciating toothache, but in every other aspect was well, could not. As a result, the scheme provided very little assistance to some of the neediest in our community. If you look at the access to the former government’s so-called dental scheme, you find that very few young people and children, even children with chronic and complex needs, had any access to the service.

For example, in the Northern Territory—and we have had a lot of discussion about the Northern Territory in this place over the last while—not one service was provided to a child or young adult aged up to 24 years over the four years to 30 April of this year. Not one. That is a terrific program, Senator Colbeck, and here you are defending it! Not one person under 24 in the Northern Territory had any access to your triumphant dental access scheme. In South Australia in the same four years, zero, not one person up to the age of 14 had access to that program. In the entire term of the Howard government, no child born and raised in South Australia or the Northern Territory got any access at all from that failed dental scheme. Fifty-two young people under the age of 20 in my state of Queensland accessed the previous government’s program over the four years to April 2008. Fifty-two young people out of my state and you are saying this is a good program! It is a bit hard to defend.
One person a month over four years in my state of Queensland had access to this program. Ninety-four people in the whole of Victoria under the age of 20 received services in nearly four years and two people a month in the whole state of Victoria under the age of 20. Those figures are nothing to be proud of. It shows clearly that the previous government’s dental scheme was a total failure and yet we have the opposition here trying to resurrect it. In total, over the four years to 30 April 2008, this scheme that the opposition is now trying to resurrect spent less than $50 million. If you want to argue about numbers, Senator Colbeck, we should talk about the numbers that the former government put in its budget papers about how much it was going to spend on dental health. If you design a poor program and put a big number on it, it sounds good in a press release, but it does not actually deliver services on the ground. It is a big saving when you have only spent $50 million on dental health over four years.

By contrast, the Rudd government will spend up to $780 million on dental health over the next four years. We will support the provision of up to one million additional consultations and treatments targeted at those most in need through the $290 million investment in the Commonwealth Dental Health Program and 1.1 million eligible teenagers will have access into preventative health checks through our $490 million Medicare Teen Dental Plan. This is a desperately needed program. According to the OECD, the dental health of Australian adults now ranks second worst in the OECD, with rapid deterioration in dental health observed in the teenage years. This is a crisis and this government is responding to it. According to dental health experts, there is a fourfold increase in dental decay between 12 and 21 years of age. Almost half of all teenagers have some signs of gum disease. Everyone recognises that having healthy teeth is important to teenagers’ self-confidence and is especially important at a time when many are seeking their first job. Just as importantly, good oral health is closely connected to a person’s overall health and well-being.

The Teen Dental Plan is an important social program, and I commend those opposite for their support of the legislation in this place yesterday. But let us be clear about this; that support for a broad based dental health program is a very recent development from those sitting opposite. The previous government and now opposition has an appalling track record on dental health. This government is implementing programs to provide assistance with dental health to hundreds of thousands of people, spending over 10 times as much a year as the Howard government did. This disallowance motion is not about protecting a dental health program that was making any sort of difference to people’s teeth; it is about causing mischief and budgetary disruption.

It is also important to note the fundamental difference between the Labor Party in government and the now opposition in government. There is a fundamental policy difference here. Labor’s focus when it comes to dental health is very much about prevention, and that is always recognised in the dental health sector as good, sound investment in long-term health outcomes. We are focused on prevention and stopping decay before it starts, stopping the need for extraction and stopping chronic illness as a result of poor oral health through a focus on prevention. That is a sound public policy position compared with the former government’s approach, which was: ‘Wait until you are chronically ill as a result of your oral health and then we’ll give you help, if you can get through all the red tape.’ That is the difference. That is the decision we are making today: do we support a program that poten-
tially fixes up something after all the damage has been done or do we invest in long-term good oral health through a good prevention program?

This brings me to the second reason why this disallowance motion should be rejected. Those opposite who are proposing this motion have forgotten what happened on 24 November last year. Let me remind them: on 24 November the Australian people voted for a change of government. They chose to pass responsibility for the government of this country to the Labor Party, and an important part of that responsibility is the economy and the budget. We announced before the election that we would close the chronic disease program and use the savings to pay for our much better directed programs. It was on the public record—that is not in dispute. It was assessed by the Charter of Budget Honesty process; it was part of the platform we put before the Australian people, and they supported it.

Those opposite are now seeking to dismantle part of the elected government’s budget strategy, which was put before the people and supported. It is not only mischievous, bloody-minded economic vandalism; it is also sabotaging a clear policy that the government took to the election and was supported by the electorate. This is an irresponsible, reactionary opposition. It is opposition for the sake of opposition—on dental care, on hospitals, on alcohol, and on unfair tax slugs like the Medicare levy surcharge. The opposition is following a clear pattern: do nothing for 11 years and then attack the new government for pursuing the path of reform. The Liberal and National parties have to choose between responsible economic management and responsible health policy or short-term cheap politics, and today they are making a bad choice.

Senator MOORE (Queensland) (10.56 am)—When Senator Colbeck was introducing this disallowance motion, he said that the opposition had thought long and hard about it before they brought it forward. I hope they did, but I am very concerned because, if they did think long and hard, they must have understood what the impact of this decision was going to be. Senator McLucas has just outlined the process around which the Australian Labor Party went to the electors last year and put forward a plan for making a significant and strategic change to the way dental health was to be conducted in this country. After years of asking questions from the other side—and I know I had to ask many questions in question time about dental services in this country—in this and in the other place about the way dental programs were operating in this country, we spent significant time consulting people across Australia: people who were seeking dental health improvements, people who were victims of the previous lack of dental health in this country, and practitioners—and we all know the absolutely critical need for trained professionals in this area at all levels. After years of consultation, the Australian Labor Party went to the electors with a plan—a plan identifying the absolute importance of an effective, preventive dental health strategy for our country.

We did not hide behind any of the processes across the absolute need for interaction between all states and the federal government. Minister Ludwig went into great detail about what he described as the blame game. We had to acknowledge that over many years there has been a tendency towards blame in all areas of health—in particular, dental health. It was never anyone’s fault when people had dental health issues. It was never anyone’s own responsibility; it was always someone else’s. It was the states’ if you were talking to the Commonwealth; it was the
Commonwealth’s, if you were talking to the states. There was a lack of communication, responsibility and accountability to the community.

The Australian Labor Party worked with the community to come up with a plan that first and foremost acknowledged the need for there to be a cooperative plan working with the state, territory and Commonwealth governments to identify the gaps in dental health in putting forward a solution. Out of that process, we went to the electors of this country with a plan that identified the need for cooperation and highlighted the priorities for dental care. It also went very clearly with an absolute awareness of the need for young people to have supportive dental care at an incredibly critical time—as Senator McLu- cas outlined, when they are starting to take responsibility for their own future health—to remind young people about the critical importance of dental health and to ensure that they get good threshold treatment so that they can then put in place cooperatively, with the dental practitioner of their choice, be it a public or private practitioner, a plan for future action.

We never pretended that the dental program we were putting in place was going to fulfil all expectations. We never made false promises. We never set up expectations that were not addressed by policy. Consistently during the election process would-be Minister Roxon spoke with numerous people who had interests in this area. Mr Rudd himself also had discussions with the community about what was absolutely essential in dental health. Out of that came what we have publicly committed to. A Rudd government is supporting up to a million additional consultations and treatments, targeted at those most in need. That has always been the process under which Labor operates. We actually seek to support those people in our community who are most in need of services, through our $290 million investment in our Commonwealth Dental Health Program. And 1.1 million eligible teenagers, young people, will now have access to preventive health checks through our $490 million investment in our kids’ teeth through what is now known as the Medicare Teen Dental Plan.

Senator Colbeck went on about confusion, about numbers that were being bounced around. He was talking about commitments over particular periods of time. That is always the way people try and hide behind figures when they are trying to build alternative processes and trying to attack other programs being put out. There has never been confusion in our policy. We have talked about a four-year commitment—not three, not two and not any other number—to allow the process to be implanted, to allow the opportunity for things to be given a proper chance to be integrated into ongoing systems. The tendency consistently is to put things into small boxes that are separated, to build up this divided process of health care. Dental health care is an integral part of overall health care. We should not be taking that away and looking at it in isolation. What we need to do, and what we have asked for over many years, is to build our health issues to be considered together so that we are looking after the genuine health and wellbeing of people. Where better to start than by ensuring that young people have effective assessment, effective consultation with trained professionals, so that they can understand the importance of dental hygiene, dental maintenance and how valuable and very vulnerable teeth are. I know from working with my own nieces and nephews, who are a little bit too old for this program now, that making them understand that the confidence that they have now, and the work that they are putting into dental health when they are young, will ensure that as they age they will be able to have strong and healthy teeth.
One of the most confronting periods in community consultations that I have had in the last few years was when I was privileged to be part of the community affairs committee poverty inquiry, which was held over the 2003-04 period. We worked as a community affairs group, with members from all sides of politics, and we talked with people in many places about what their main concerns were about their futures and they were indicating what their needs were. One of the top issues that came out from people across the country was their dental health. Consistently, people told us that as they aged they were finding it increasingly difficult to be well and healthy if they had problems with their teeth. What we heard from a number of teachers was that it was so important that young people had access to effective dental support while they were young so that they would understand that and would be able to plan that effectively as they aged. When we were working with Minister Roxon last year, and in the many public meetings she had, those same issues that were brought out in 2003-04 were reinforced when she was talking about the development of an effective policy for a Rudd Labor government and how we would be looking at the issues of dental health in an overall health plan.

The figures that Senator McLucas and Senator Ludwig read out in relation to the previous government’s commitment to health and the very small numbers of people across this country who were able to benefit from any support from previous Howard programs were extremely confronting. The numbers are there. We see that under the previous systems access to dental programs was limited very much by where you happened to live and by how wealthy you were. That crucial divide was reinforced in the area of health and access to support. What we are planning is an effective program that will pick up on equity of access, will support those who are in the most need and will be transparent, so that people will know exactly what is available and will be able to work with practitioners at the state level, having that confidence that their needs will be met throughout their whole lifetimes. We are starting by focusing on the Medicare Teen Dental Program, responding to some of the information that we have had about the critical importance of those years for people to understand this issue, as I have said. We are starting with that and then building, in cooperation with state governments, a focus on dental services for the foreseeable future.

No-one pretends that this is going to be an easy issue. No-one pretends that one single program is going to be able to respond to the critical needs across our community. I think that has always been a danger. The responses we have had from the Howard government, the now opposition, show that they seem to think that promoting one program alone will respond to all the issues that are important. That is such a temptation when you are governing by media response or by getting out a good headline. Dental health will not be serviced by one program alone. What we need, as I have said, is the integrated, systematic planning which our dental health program is beginning to put in place. It is not there yet. It will take significant, targeted approaches over a minimum of four years to have the first building blocks in the ongoing plan, and then with the expectation that to really get the best value across the community you will be looking many years into the future. You do not solve issues of neglect that have been entrenched in the system for over 11 years with a first-round program of a four-year schedule.

When I was in the opposition and asking questions about dental health, there were consistent issues about needing to respond effectively. The program that Minister Roxon has put forward is a strategy to do that. There
has been a transparent public process to put in place, with clear access to money, a program over a period of time, and now we have the opposition coming in and telling us that they have given considerable thought to the importance of the step that they are taking in blocking—disallowing—the regulations that will allow that to occur. It makes me think that there has been considerable thought given to the action that is being put before the Senate today. There has been considerable thought, but it is not about the effectiveness of our dental programs; it is ensuring that the opposition will now be able to impose their will on what is going to happen into the future. They will be able to stall the effective planning of the programs that have been passed in the lower house. They will be able to stall the strategic implementation of programs that have been on the public record since before the election. They will be able to stall and divide. Once again, the idea of building up an effective long-term strategy will be stopped by people who for 11½ years could not come up with a response to these issues.

I remember when the community affairs committee was looking at the then program, towards the end of the previous government’s term. We had a consideration of maybe one day or half a day of that particular program, and a number of questions came up: how would the program work? Would people have access to it? Is it the best way of operating? We had that ‘intense’ one-day consideration of such an important piece of legislation—very similar to some of the considerations we will be forced to have over the next week on trying to stall further budget initiatives. But, after that came through, what we were asking was how the wider community was going to benefit from this program. We had statistics about the number of people with chronic illness who may be able to benefit, and there was great discussion about where that fitted into the overall scheme. As people from this side of the house have said, we do not deny that some people did benefit from the previous program. But before the election we said that in our plan we were balancing the needs and the processes, and we never pretended that the former scheme was not one that we had doubts about. We thought it was too complex and we also had issues about just how many people would benefit from it.

Today we are facing a disallowance motion—on the record; we can see how it works. It will be an attempt to stop at this stage the effective budgeting for the dental programs which have been on record—about $780 million that the Rudd government is wanting to invest in dental health over the next four years. Those programs have been built around making sure that they are put in place as quickly as possible. We have already gone out to the community and given people an expectation of who will be able to benefit. I know that in my office in Brisbane people have been ringing up to find out exactly how this particular program will be put in place, in terms of how young people will have access to this process. What we will say now of course is, ‘Because of considerable thought by the opposition, it will now be delayed, probably’—if the vote goes that way. Considerable thought of the opposition has determined that this program will be delayed. And why? What are they asking, in terms of the process? They are asking that the programs that they want are put in place, not the programs that Nicola Roxon led ministry is wanting to put in place, has spoken to the community about, has talked to practitioners across the country about and has set up a strategic plan for the future for.

So, because of this considerable thought, we will go through a process now where there will be a blockage of the area and the delay will occur. And who will that hurt? It
will hurt the people, the families, who have been without access to this kind of dental support for many years, who now believe that this will allow them to pre-plan and get into their lifetime plan of looking after their dental health. That will be delayed. Then we will go through this process of willy-nilly, argy-bargy discussion, at the very heart of which people will be hurt. That does not seem to me to be the result of considerable thought.

I remember particularly the people with whom the community affairs committee spoke from the area around Newcastle in 2003. A lot of young people came from schools to talk to our committee about poverty. I remember clearly that people said they just wanted their young people at that stage to have the security of knowing that they would have strong health support. In particular, they wanted to have dental support. I can see their faces while I am speaking; I know that sounds a little strange, but when I had heard about this dental health program—which actually responds to this need that was identified so many years ago—I was really pleased. Those young people are now mid-teens. They would be at the stage where they would be able to benefit from this program that the Labor government has put on the table. They would be able to be part of the solution, not just the complaint. And now we are able to put in place a process that, in years to come, would mean that we would not be able to read out the appalling statistics about how few people—and how few young people—had been involved in effective dental planning and effective dental services.

In these debates I have always said that it is not particularly valuable just to say, ‘This is what you did, this is what we are going to do, and we are better than you’—I am actually on record as saying that. But it is very disappointing when you actually come to a point where there is a genuine option—a plan that is on the table looking at the critical issues of dental health in our country, focusing on young people—and the ‘considerable thought’ of the opposition, which is just what I believe it is, is leading to a blockage, political advantage and a political point being made. I am disappointed. I think that the people who will be damaged by this decision to delay these processes are not the people who are sitting in this chamber; they are the people who actually expected more. Those people had an expectation that there would be a response, finally, to the very critical issues of dental health. They will not have that expectation met immediately—and there was an expectation that it would be put in place almost immediately. In the planning process there was the expectation that this would be able to be negotiated effectively and that there would be the opportunity for a genuine teen dental health program and also the continuation of a cooperative arrangement between states and territories, with the focus on our health and, in this case particularly, on having strong dental health into the future.

Senator COLBECK (Tasmania) (11.15 am)—Just quickly to wrap up the debate, the government went to the election promising they would spend $800 million on dental services. They later confirmed that they would be, but they have now admitted in this debate that they will not be. The way that they have argued in this debate has been completely predictable, as I said, in my initial contribution, it would be. Senator McLuscas and Senator Ludwig made comments about young people accessing care for chronic dental disease, but their Teen Dental Plan will not address one single chronic dental case. It will provide a clean, a check and a scale. So, despite the fact that they have had four different costings for it and despite their protestations during this debate today, it will not address one single chronic dental case. It is to provide check-ups—that is all it does—
and then if a problem is found you join the queue. They talked about this plan being over four years. They ignored the fact that it was enhanced in the coalition’s last budget and they ignored the fact that its take-up has meant that it has provided over 300,000 treatments since its enhancement—and if it is so difficult to get into why is it providing such significant treatment and why is it so popular with the public? As I said in my initial contribution, we did not take this action lightly. It was seriously considered. Senator Moore is right: the provision of dental care does need a broad range of measures. We in opposition are ensuring that one measure of that broad range of measures stays available to the Australian public.

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

The Senate divided. [11.21 am]
(The President—Senator the Hon. Alan Ferguson)

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AYES
Adams, J. Barnett, G.
Bernardi, C. Birmingham, S.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Bushby, D.C.
Chapman, H.G.P. Colbeck, R.
Cormann, M.H.P. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Fierravanti-Wells, C. Fifield, M.P.
Fisher, M.J. Humphries, G.
Johnston, D. Joyce, B.
Kemp, C.R. Lightfoot, P.R.
Macdonald, I. Macdonald, J.A.L.
Mason, B.J. McGauran, J.J.
Minchin, N.H. Parry, S. *
Patterson, K.C. Payne, M.A.
Ronaldson, M. Scullion, N.G.
Troeth, J.M. Trood, R.B.
Watson, J.O.W.

NOES
Allison, L.F. Bartlett, A.J.J.
Bishop, T.M. Brown, B.J.
Brown, C.L. Campbell, G.
Collins, J. Crossin, P.M.
Evans, C.V. Fielding, S.
Hogg, J.J. Hurley, A.
Hutchins, S.P. Kirk, L.
Ludwig, J.W. Marshall, G.
McEwen, A. McLucas, J.E.
Moore, C. Murray, A.J.M.
Nettle, K. O’Brien, K.W.K.
Polley, H. Sherry, N.J.
Siewert, R. Stephens, U.
Sterle, G. Stott Despoja, N.
Webber, R. Wong, P.
Wortley, D. *

PAIRS
Abetz, E. Forshaw, M.G.
Coonan, H.L. Faulkner, J.P.
Heffernan, W. Conroy, S.M.
Nash, F. Carr, K.J.

* denotes teller

Question agreed to.

COMMITTEES
Environment, Communications and the Arts Committee
Report
Senator McEWEN (South Australia) (11.24 am)—I present the report of the Environment, Communications and the Arts Committee entitled The effectiveness of the broadcasting codes of practice, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator McEWEN—by leave—I move:

That the Senate take note of the report.

The official title of this report is The effectiveness of the broadcasting codes of practice, although it has been more popularly known as the ‘Swearing on TV report’. The inquiry by the Senate Standing Committee on Environment, Communications and the Arts, which resulted in this report, came into
being after some controversy following the airing of an episode of *Ramsay’s Kitchen Nightmares*, a very popular television show, which was probably made even more popular by the media attention given to this inquiry. That episode of the program featured very liberal use of unparliamentary language that I am unable to repeat here, but Senator Bernardi made reference to it in a speech that he gave about the same program. When the inquiry was agreed to by the Senate, there were those in the community who saw it as a good opportunity to get the government to prevent the broadcasting of material that some in the community find offensive and there were others who were worried that the inquiry would do just that. However, fortunately most of the 85 submissions to the inquiry that we received from individuals and organisations were very measured and thoughtful, and I believe that the report, which has been unanimously endorsed by the committee members, reflects those measured views put to the committee on this topic.

There is no doubt, as we found during the inquiry, that people are offended by some material on television and radio and by what appears to be the increasing use of coarse language or swearing during television programs in particular. Submissions did point out that often the community is equally offended by violence and explicit sexual material on television. Some people made the observation that what was really most offensive about the aforementioned episode of *Ramsay’s Kitchen Nightmares* was not simply the use of coarse language but the way it was used. People were offended by the way Ramsay directed his language to his restaurant staff in an abusive and aggressive manner, and a number of people made the point that that was probably more offensive than the actual words used.

The committee did not approach this inquiry by attempting to define community standards in respect of swearing or indeed sex or violence on television or radio. That is not the job of a Senate committee; it is the job of the broadcasters and ACMA, which together determine broadcasting codes of practice, and the various bodies which classify film and other material broadcast on television and radio.

The committee’s terms of reference were to look at the effectiveness of Australia’s broadcasting codes of practice, with particular reference to:

- the frequency and use of coarse and foul language … in programs;
- the effectiveness of the current classification standards as an accurate reflection of the content contained in the program;
- the operation and effectiveness of the complaints process currently available to members of the public; and
- any other related matters.

It was apparent from this inquiry, as it is apparent from ACMA research, that most Australians accept the contentions in the Classification (Publications, Films and Computer Games) Act 1995, which states:

(a) adults should be able to read, hear and see what they want;
(b) minors should be protected from material likely to harm or disturb them;
(c) everyone should be protected from exposure to unsolicited material that they find offensive;

Most adults understand that what they find acceptable to watch or hear or read may cause great offence to others in the community. It is also clear that some people will never be happy with the systems in place to regulate what is broadcast. It will be either too restrictive for some or too lenient for others. The committee was very mindful of the need for a balance in this regard.
It was also apparent from this inquiry that adults, parents in particular, want to have confidence in the system of classification and broadcasting codes of practice that alert them and their children to the fact that material to be broadcast may contain elements that they may find offensive or unsuitable or it may contain material that they just do not want to see. Before they start watching a program on television or listening to a radio broadcast, people want to know broadly what it will contain and they want the probable content to be as clearly explained as possible so that they can make a judgement about whether or not to watch or listen. They do not want to be unpleasantly surprised by material they did not expect to see or hear. They want to be able to let their children watch television without having to worry that, during the times their children are watching programs, inappropriate material might be broadcast.

If broadcasters have not properly applied the rules for what is broadcast and when, then people want to be able to make a complaint about it and they want that complaint to be dealt with fairly and in a timely fashion. They also want broadcasters who continue to fail to observe the broadcasting codes to be penalised for doing so. The committee did not think those expectations were too much to ask of our broadcasters and of the regulatory systems that determine what is broadcast on radio and television and at what time. The 20 recommendations in this report go to very practical measures that the committee believes are workable, address the major issues identified in the inquiry and maintain the balance between the need for regulation and the freedom for people to choose what they see and hear.

A number of recommendations, particularly Nos 2, 3 and 5, have been made with the intention of assisting parents to determine what their children can watch. The recommendations include that the provision of a parental lock-out should become an industry standard for digital televisions sold in Australia, that ACMA investigate whether the inclusion of age-specific symbols in the G and PG categories offers any advantages over the current system, and that ACMA and Free TV Australia, which represents television broadcasters, investigate as part of the current review of the Commercial Television Industry Code of Practice the issue of the appropriateness of the current evening time zones with regard to claims made during the inquiry that family viewing patterns have changed as a result of parental work responsibilities and children at after school care and in care during holidays. There is some evidence that children are up and watching television a bit later than they used to.

The committee understands completely that people who have been offended by broadcasters who do not observe the broadcasting codes of practice want to be able to make a complaint and they want to be able to do that in a way that is easy to use and effective. Chapter 5 of the report examines that issue in some detail and contains recommendations specifically regarding the operation and effectiveness of complaints processes. Recommendation 12 says broadly that broadcasters should amend their codes of practice and website capabilities so that viewers can make complaints electronically by email or over the web and that those complaints will be dealt with in the same fashion as the current system of written complaints. That modernises the complaints process and makes it easier for a large proportion of Australians who do a majority of their communication these days through the internet, as we know.

A number of submissions conveyed frustration in that people believed that ACMA is ineffective in enforcing the codes of practice. More than 10 per cent of the submissions advocated for ACMA to use immediate fi-
financial penalties against broadcasters who are found to have breached the broadcasting codes of practice. In the committee report we have made a recommendation along the lines that ACMA should consider limiting its use of unenforceable undertakings in relation to breaches of the code, and that broadcasters who continue to breach the codes have the full range of what is available to ACMA applied to them, including financial penalties. The committee has also recommended that the government review the operation of ACMA before the end of 2010, by which time the organisation will have been in operation for five years. This will be a timely stage in its existence to see whether it is working effectively. On behalf of the committee I would like to thank the secretariat for their assistance and to thank all the organisations and persons who made submissions to this inquiry.

Senator BERNARDI (South Australia) (11.35 am)—I would like to associate myself with the comments that Senator McEwen has made on behalf of the Senate Standing Committee on Environment, Communications and the Arts. In doing so, I would like to extend my thanks to the Senate for allowing me to initiate this inquiry and also to the committee members for their contribution to it. The committee secretary and secretariat have indeed put a lot of work into it, as have many of the people who made submissions and attended our inquiry.

I have to say that, whilst swearing was the catalyst that sparked my attention and my concern about what was being broadcast on our free-to-air television networks, the terms of reference were broad enough to ensure that there was a comprehensive review of the efficiency and effectiveness of not only the code of practice but also the complaints mechanisms, as Senator McEwen detailed. I was surprised—and maybe other senators on the committee were surprised as well—by the interest that was shown by the broader community and the media. The inquiry and the hearing were, for me, very enlightening experiences. There is a broad range of concerns about what is being broadcast on our television screens, and the broad range of concerns are not simply related to swearing; they are also related to depictions of sexuality and violence.

But we did not find that the Australian people wanted to see an increased level of censorship, if that is the correct term. They did not want to stop freedom of expression but they did want some clarity. They wanted to know that when they turned on their television at a particular time to watch a particular type of show they were going to get what they expected, that if they were going to tune in and watch a news network or a news service they or their family were not going to be exposed to irresponsible content. They wanted to know that if they tuned in to a show at 7.30 pm they were not going to be exposed to unsuitable content for family viewing. The classification codes allow for this. They provide some broad guidance initially. M is regarded as suitable for a mature audience; it allows infrequent coarse language. But no-one has been able to convince me that an M-rated show such as an episode of Ramsay’s Kitchen Nightmares that contained the f-word—and I am not referring to fondue, Mr Acting Deputy President—80 times in 40 minutes is infrequent coarse language. I do not think there is any expectation that people would accept that as infrequent.

That is not to say that we should not allow coarse language on television. I do not believe that, but I think there are times when it is certainly unnecessary. This inquiry has highlighted that we need to tighten up the explanations of these sorts of things so that when people tune in to a particular show they know exactly what to expect. One of the recommendations contained in this report is
that the free-to-air broadcasters consider exactly when they should broadcast programs under particular classifications. This has arisen out of what Senator McEwen referred to as ‘children watching TV later at night’. We understand there is parental responsibility; we understand there are personal choices available, but it was also demonstrated to this committee that family life is very, very busy. Parents are often pursuing many other important activities, and children have access to television remote controls, sometimes without their parents’ knowledge.

Senator Webber—Often!

Senator BERNARDI—‘Often!’ Senator Webber says, and I agree with that. They can be exposed to certain things before their bedtime. If children are going to bed later, but the content which is reserved for adults only is being broadcast at an earlier timeslot, there is a potential for unintended consequences.

This report offers a number of opportunities for voluntary compliance by the free-to-air broadcasting industry. It offers a number of recommendations for the Australian Communications and Media Authority and also some recommendations for government. I hope that they embrace all of these recommendations and consider them in their completeness. I say that because there is a voluntary code of practice. It is a co-regulation. The TV networks get together, they deal with ACMA and they decide what the boundaries and the community expectations should be. Things do evolve in our community, and community standards move up and down according to the whims and vagaries of what is popular, but there are some things we need to ensure there is a complete standard for. We have provided, I think, a comprehensive set of guidelines, which the TV networks and ACMA can work towards over the next three years. The advent of new technology and the increased use of digital technology, particularly in digital television, provide one potential benefit for families. Families should be able to program out what they do not want to be broadcast on their screens. They have the potential to say, ‘We don’t want any M-rated show available to our children before nine o’clock at night because we know our children are not going to be in bed.’ To screen it out is an empowering move. They can find out exactly what they are going to see on a show and they can be provided with a strong explanation of exactly how it is going to transpire. Technology is going to play an increasing role in helping parents to do this.

But technology will not help parents when material that is clearly suitable only for a higher classification, whether it be MA or M, is shown under an inappropriate classification. In circumstances where that happens a complaint goes to the network concerned. The network can take up to 30 business days to respond. It can then go to ACMA, and the process may be prolonged. Senator McEwen referred to the fact that many people now are choosing to communicate electronically either by email or via the internet in another form. People also use a telephone. It is much easier to pick up the telephone and make a complaint than it is to write a letter—and the dying art of letter writing might perhaps be the subject of another Senate inquiry.

Senator McEwen—No.

Senator BERNARDI—‘No,’ says Senator McEwen. I am not proposing it myself. What is important is that people feel they can feed in their complaints. One of the recommendations is that the 30 days be reduced to 15 days by 2010. It is absolutely possible. When the complaints mechanism is more efficient, I am hopeful we will see a much more responsive organisation. But if the TV networks are in constant breach and it goes to ACMA, we are recommending that ACMA be empowered to escalate penalties
according to the time taken. This is about responsibility. Not only does responsibility lie with parents and families; but responsibility also lies with the broadcasting networks to be responsive and more effective in reviewing the content that they are going to put forward. The is also responsibility on the part of government, through the Communications and Media Authority, to respond where clear breaches have taken place.

I am delighted with this report. Of course we all have different personal views about what is and what is not acceptable content. I think this report is a very good balance of accommodation of those views. I think it is broadly reflective of what most people in our society would deem to be acceptable and is a positive step forward. Once again, I say thank you to the committee for their involvement in this inquiry and certainly for their indulgence in allowing me to participate in as strong a manner as I have. I have enjoyed the process very much and I hope that the free-to-air television networks, the Australian Communications and Media Authority and indeed the government will respond to some of the concerns raised through this report. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

FAMILY ASSISTANCE LEGISLATION AMENDMENT (CHILD CARE BUDGET AND OTHER MEASURES) BILL 2008

Second Reading

Debate resumed from 18 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (11.45 am)—The Democrats support this omnibus bill which gives effect to changes to the childcare tax rebate and the childcare benefit, along with a number of other changes. The Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008 implements the government’s election commitment to increase the rate of childcare tax rebate from 30 per cent to 50 per cent of out-of-pocket costs and to increase the annual limit per child from $4,354 to $7,500 per income year. The bill also provides for the childcare tax rebate to be paid quarterly instead of annually at the end of the tax year, to help families meet the regular costs of child care closer to when they arise.

Accessible and affordable child care is one of the critical issues for working families and one of the biggest barriers to mothers re-entering the workforce—sometimes fathers, but mostly mothers. There have been many warnings that the lack of affordable child care is hampering our economy, stalling workforce participation and exacerbating Australia’s skills shortage. Almost a quarter of a million women are not working today because they cannot get child care. The majority of those have preschool children, and many have children under two years of age. But child care is not just about enabling parents to participate in the workforce; it should also have a very important role in early childhood development. High-quality child care and early childhood education are crucial to improving educational achievement and curbing antisocial behaviour and child poverty. Early childhood development should be at the centre of childcare debates. Early childhood education lays the foundation for effective learning and improves social, cognitive and emotional development. Access, affordability and quality are all very important in child care.

The measures in this bill deal primarily with affordability, but this is not the only issue, as I have said. I will come to those other issues shortly. Many families struggle to afford child care, and its cost often outweighs the net financial benefit to families
for parents to work. The childcare benefit made child care more affordable temporarily. However, the gains in the affordability have been eroded by fee increases far in excess of increases in the childcare benefit, which are linked to the CPI. We have heard that in the past five years childcare costs have increased by 65 per cent compared with an increase of only 17 per cent in disposable income. Childcare fees increased by 12.9 per cent in 2006 alone. I might point out at this stage that I am not arguing that childcare fees should be cheaper, because properly trained staff and properly paid staff cost money.

When the previous government introduced the childcare tax rebate, it was welcomed as a significant injection of additional funding for the sector and also as a way of assisting with the out-of-pocket expense of child care. But there were significant concerns about the rebate, particularly that much of the extra support available from the tax rebate was soaked up by higher fees. There were also concerns that higher income earners would benefit most. Not surprisingly, these same concerns have been raised again with the current government’s undertaking to increase the rebate to 50 per cent. It is true that the rebate has high annual maximum rebate levels that will probably only benefit higher income families using full-time care. Few families can afford to pay the thousands of dollars in out-of-pocket costs that would entitle them to the maximum rebate of $7,500—and, as in 2004, we do not really know what impact the rebate will have on fees.

Childcare costs, as measured by the childcare component of the CPI, have grown well above inflation since right back in 2003—before the childcare tax rebate was announced. Over the last four years, increases have been between 12 per cent and 13 per cent per year. We do not know either to what degree increases in childcare fees are being driven by factors such as wages or demand for places versus childcare operators taking advantage of families’ greater capacity to pay due to the increased government subsidy provided by the rebate. In the March quarter this year, childcare costs rose a further 4.5 per cent. It may be that that was in anticipation of this increased rebate or it may simply be the increasing demand for places and the increasing costs of operators.

The measures in this bill deal primarily with affordability but neglect those other elements, which I will come back to them. We have heard reports that some operators are going to put up their fees by as much as 10 per cent, and I guess we will have to wait and see what happens. What we do know is that there is still nothing in this payment mechanism to prevent the extra funding being very quickly absorbed into higher fees or higher profits. Certainly the example of other open-ended subsidies such as the 30 per cent private health insurance rebate suggests that they certainly do not put any downward pressure on costs. This is why the Democrats, along with others, have been calling for a schedule of standard childcare fees similar to that for Medicare healthcare costs.

We also need governments to be prepared to fund new childcare centres where they are needed. I notice that in the budget there were some new childcare centres proposed to be built—co-located, I think, with schools and the like. We welcome that, but we need to make sure that they are placed in areas where there are already serious shortages. In my part of the world, Port Melbourne, and in inner Melbourne generally, there is a shortage of places because of the value of residential land. I urge the government to take that into account. But they should also assist in providing land to build new centres or expand existing services, perhaps in collaboration with state governments. Perhaps the fed-
eral government could provide the capital for these new centres to be built.

But it is not just about making more places available. We need a funding and quality control system that delivers the environment which all the experts tell us is needed to achieve the best outcomes for young children. Thirty years of child development research says that the key factors in quality child care are the ratio of staff to children, the number of children in the group in which they are cared for and the qualifications of the staff caring for the children. So we need a system that provides child-staff ratios of at least one adult to three children for infants, at least one adult to four children for one- to two-year-olds and at least one adult to eight children for three- to five-year-olds. We need a clear strategy that will deliver enough properly trained and accredited childcare staff. Childcare professionals are leaving the industry at a time when we need to retain all of those that we have and to recruit and train more staff.

One big problem that I have raised many times in this place is the fact that many childcare workers have no formal qualifications at all. The Democrats argue that we must move to a system where all childcare workers have at least two-year equivalent post-secondary qualifications in early childhood development. We need to double the proportion of childcare workers required to have early learning specialist degrees. This is a very important area of education and it is ludicrous that we require teachers to be trained but not those who deal with young children. We should expect no less for children receiving education and care prior to their entering school. We must also improve the working conditions for those who work in this field. The people who work in child care are amongst the lowest paid in the country. There is also a very clear difference between the salaries of those working in the private sector and those in the community sector, and there is a lack of career opportunities. Without fair pay, quality working conditions and long-term career options, people will not choose to work or stay in this sector. So we must make sure that as well as a properly trained workforce there are national standards for age-appropriate development programs and for maximum group sizes. The Rudd government has promised a national early years workforce strategy, and we look forward to seeing that. They have promised to remove TAFE fees for childcare diplomas and to create more early childhood university places. They are very welcome moves, but they are still just the tip of the iceberg.

Time and time again evidence has shown that parents are saying they cannot afford childcare costs. Raising the childcare rebate from 30 to 50 per cent will certainly help in the short term, as will allowing the rebate to be paid quarterly instead of annually. It took the previous government three years to realise that having families receive the 30 per cent rebate two years after they had to fund increasing childcare costs was a luxury that many parents simply could not afford. The Democrats and many others argued when the rebate was first announced that making people wait would not help most families. A payment four times a year is a distinct improvement on the previous situation, but it will still be difficult for some families to pay their weekly bills.

This legislation also makes some changes to the childcare benefit. Much has been made by the opposition about the removal of the minimum rate of the childcare benefit, which means that some families will no longer receive the benefit payment at all. It has to be remembered that the minimum rate of the benefit was put in place so that families would get some assistance with child care, regardless of their income. We now have the
rebate, which is not means tested, so there is still a means-test-free method of providing assistance. Additionally, childcare benefit and childcare tax rebate work together. Families who receive lower levels of the benefit have higher out-of-pocket costs for child care and, therefore, get more benefit from the rebate.

As I have said, the Democrats will be supporting this bill because it will bring relief, however temporary, to families. We need a comprehensive, long-term solution to the needs of families and children. Tax reform is not the way to fix child care, either to contain costs or to address problems of quality. We should not continue to let the market dictate allocation of places, costs and quality.

In 2006, the OECD published a comprehensive survey of early childhood education and child care. It expressed a preference for direct funding of childcare services as opposed to the path that we have gone down in recent years in Australia. According to the OECD, the conclusion reached is that direct funding brings, for the moment at least, more effective control, advantages of scale, more even national quality, more effective training for educators and a higher degree of equity, access and participation than parent subsidy models. Increasing the Commonwealth contribution is not a bad thing, but we would urge the government to take heed of that OECD report and, in the not too distant future, consider it and consider directly funding child care instead of the system that we have. I remind the government that the return from investing in early childhood development in terms of children's future development and their integration into society is invaluable.

Senator JACINTA COLLINS (Victoria) (11.57 am)—It gives me enormous satisfaction to speak to this bill as essentially my second first speech. The Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008 represents a number of measures and sits within a broader reform context in areas of social policy about which I am very passionate. Aside from the Rudd government’s workplace relations reforms, the Working Families Support Package and our early childhood initiatives also directly redress years of poorly framed, and often purely ideological, policy and a period of neglect under the Howard government. The childcare sector, like the dental services area that was discussed in the disallowance motion earlier, was one of the early victims of the Howard government’s ‘reform’ when capital funding was removed from the sector. We also have their long-touted, but never eventuated, early childhood agenda. As Senator Allison suggested, we still lack the agenda that was paraded by the Howard government as being developed for many years.

As Senator Allison said, childcare costs have escalated. We had unprecedented levels of unmet demand which were allowed to develop under the Howard government and deliberately maintained. Like employment services and some areas of education delivery, the childcare sector became another radical free-market experiment under the Howard government. Here now we have one element of genuine and constructive reform. I am glad that the opposition’s economic vandalism does not extend to this particular bill. We do have a strong mandate for this bill, and much of that mandate has been developed by the vandalism that occurred under the Howard government to this sector.

Senator Bernardi—Why didn’t you disclose it all before the election then?

Senator JACINTA COLLINS—Senator Bernardi interjects, and I welcome that interjection. I was hoping that his contribution on this bill would be much more comprehensive. In fact, I would invite him to incorpo-
rate any further remarks he made but did not include yesterday, because I will address the two points he made as I continue in this speech.

As some background, the most valuable investment a community can make is in its children. Investing in children delivers long-term benefits to families, to society and to the economy. Fulfilling children’s developmental needs requires a combination of family support, strong communities and quality children’s services, and the Rudd government is committed to playing a role in strengthening this combination. Families are being stretched in modern Australia. More and more families see both parents entering the workforce in order to make ends meet. This reduces the amount of time that parents have to spend with their children and also increases families’ need for quality yet affordable childcare services. But in order to be useful, these services must be both accessible and affordable. Accessibility will only be achieved if the government commits sufficient funds for there to be enough childcare places to meet demand. Accessibility also requires that these services be provided in the right places. Affordability requires a combination of measures that will both control the cost of services and support the ability of parents to pay.

Quality child care is central to the future life opportunities for our children. International research demonstrates that investment in the early years yields not only a high rate of return measured in individual achievement but also future productivity and workforce participation. That is why child care must be accessible to families from all backgrounds. Not only is child care important for individuals; these benefits also flow on to the overall economy. Boosting the productivity and workforce participation of the next generation are crucial elements of dealing with our ageing society. And yet, despite these clear social and economic benefits, Australia’s investment in early education is only one-fifth of the OECD average, placing us at the bottom of the ladder of developed nations. This is the legacy that we have inherited from the previous government. Today’s bill is an important step in remedying current deficiencies, but, as I will get to later, it is also part of a much broader package.

As in many areas of policy, childcare services will be better if all levels of government work together. The opportunities now to promote better service delivery between all levels of government are critical and present a significant challenge, an exciting challenge, to this new government. There are many advantages to decentralising some areas of regulation to state and local authorities, particularly where highly localised knowledge is paramount. However, it is also important that there is an overall strategic vision and that there is coordination between jurisdictions. Picking up on some of Senator Allison’s points: the OECD has noted, in relation to this trade-off, that in many countries a positive consequence of decentralisation has been the integration of early education and care services at a local level, along with a greater sensitivity to local needs. However, complete devolution can widen the service gap between jurisdictions, as has been experienced in Australia. The OECD also notes that it seems important to ensure that early childhood services are part of a well-conceptualised national policy with, on the one hand, devolved powers to local authorities and, on the other hand, a national approach to goal setting, legislation and regulation, financing, staffing criteria and program standards.

The Rudd Labor government agrees with this assessment and it is—to assure Senator Allison—determined to ensure that it creates the right overall framework. This bill is an important step in moving towards that
framework. The key measures of the Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008 are to implement the government’s election commitment to increase the childcare tax rebate from 30 per cent to 50 per cent. Senator Bernardi, in his comments about dealing with inflationary impact, needs to be reminded, as did Senator Allison, that this was a Howard government measure. It introduced the tax rebate as a means of improving the subsidy. This is what at this point in time we have been left with as the means, and there are problems with that means in terms of dealing with inflation that Senator Bernardi should be aware of.

The other element of this bill is to amend the childcare benefit and to enhance the civil penalties and infringement notice scheme. In addition, the bill contains a number of elements that will clarify the operation of the act and ensure consistency between provisions. I am particularly pleased to see the civil penalties and infringement notice arrangements. Compliance measures under our free-market experiment under the Howard government were one of the issues I raised privately with the government because of the concerns I had about how many childcare service operators were meeting their obligations.

Let me move to the childcare tax rebate component. This bill implements the government’s election commitment to increase the childcare tax rebate. The rebate is a subsidy that helps families with out-of-pocket costs associated with child care. There are a number of basic criteria that are quite general and allow for quite a wide coverage. From 1 July 2008 the rebate will increase from 30 per cent to 50 per cent of out-of-pocket childcare costs up to a maximum—and it is important that there is a maximum—cap of $7,500 per year. This is a key measure increasing workforce participation. Increasing the rebate is important in terms of both equity and access to the system. It is also important in terms of controlling inflation by increasing the capacity of the childcare sector. Childcare costs increased considerably faster than inflation over the term of the Howard government, as Senator Allison just raised. The cost of child care approximately doubled over the previous administration. I provide that context to Senator Bernardi’s comments about the potential for inflation. This has put immense pressure on many working families. As I said, dealing with the tax system—in part answer to Senator Allison—as the means of providing this subsidy was the choice of the Howard government.

This bill includes changes to both the rebate and the childcare benefit, as Senator Allison pointed out. Importantly, the highest levels of total subsidy, the combination of the two, will be received by working families on low incomes. This is an important measure for working families on low incomes. Access to the workforce is particularly important for these families for a large range of social policy reasons.

Moving to another element of this measure, the childcare tax rebate will be paid quarterly instead of annually. This takes us back to the issue of using the tax system to administer some of these payments and the time taken for the subsidy to reach and meet the needs of the families to which the subsidy is meant to be directed. It was incredible to see a gap of two years between families first needing help to meet their childcare costs and then eventually receiving the rebate. In terms of social policy, the notion of a measure allowing a two-year gap was amazing. I can remember that at the time it was introduced I sought some policy rationale for that measure, and the government failed to provide any logical rationale for allowing that gap. There was no rationale, other than perhaps budgetary excuses about how the
budget was prepared on that occasion. From a social policy point of view, there is simply no reason to allow that type of gap in meeting the needs of families for their childcare costs. Our rearrangement of this will assist families to meet the regular costs associated with child care closer to when they arrive. Perhaps quarterly is not perfect either, but I look forward to an opportunity in the future to deal with the range of childcare and family support measures in a much more sensible and rational way.

Families being able to meet the costs of their child care and receiving a subsidy in a more regular fashion is also likely to complement the increase in the subsidy and make the childcare rebate more effective as a means of overcoming the barriers to entry to the workforce. Think about it in those terms. We know workforce participation is critical to low-income families. We know the beneficial effects of workforce participation on families with children, and yet we had a measure where those families would need to wait up to two years before they received any subsidy. It just made no sense.

Moving to the childcare benefit, I think that benefit is a subsidy provided to help families meet the costs of child care. As Senator Allison pointed out, when it was first introduced it provided a more meaningful level of support, but with the escalation of costs this was eventually eroded. Senator Allison is correct in saying that the bill will remove the minimum rate for the childcare benefit and that other measures will ensure that some level of support for higher income families remains. But this measure is very important for another reason, which I raised several years ago in relation to child care. It was illogical that families such as mine received a minuscule childcare benefit in relation to their use of child care. The administration of those payments would have cost more than the amount I received. I sought on many occasions to get an explanation from the department as to what the overall administration costs were of paying me a minuscule childcare benefit. I am pleased not only to see that this has been rationalised and removed but also to note that higher income families under the new arrangements for the tax rebate will actually still continue to receive some support, but in a much more administratively sensible fashion. I look forward to a range of areas where we deliver family and community childcare support and administer it in a much more effective way. This has been one of the classic examples that I have explored over the years.

To remind the Senate, in the early days of family assistance, families receiving low levels of family assistance would argue: ‘We’re happy for you to means-test it. Take it away; direct it more sensibly. Me receiving $10 a fortnight means very little to our family life and we would like to see those funds better directed.’ That was my introduction into social policy and financial support for families. Senator Bernardi is suggesting that Australian families looked at the budget and did not see the fine detail of some of our means-testing arrangements and will regret that they have lost some minor access to things like the childcare benefit. Senator Bernardi needs to understand that Australian families do want to see a strong, effective and viable social security system. They are not solely interested in the payments that they themselves receive; they want to see income transfer arrangements that support all families and ensure we do not have other social problems resulting from families not receiving adequate support.

There is very strong support in Australia for effective targeting of welfare payments. This is one of the things about Australian society which makes me incredibly proud. It is one thing in comparison between Australia and many other countries in the world that I
can say has survived through much of the cultural changes that have occurred in recent years. Australians want to maintain a strong welfare support system for our families. They are not concerned to miss out on minor things such as the childcare benefit. Indeed, when I first entered this place, I asked a question about the application of the maternity allowance and I was pregnant with my now 12-year-old son, James. I knew I would not receive that benefit; I was proud we were introducing it. I did not myself want to receive that benefit but it was necessary and critical for Australian families, and indeed our obligations to ILO standards, that we provide some measure of support for women during their pregnancy.

Let me move to the compliance measures. As I said, there are a range of aspects of the operation of our childcare system that were part of a Howard government radical free market experiment. The compliance of childcare operators became a serious concern some years back, and we do need to strengthen this area further. We need to make sure that what we are funding is well delivered at the grassroots, and so I support those aspects as well.

I would like to briefly touch on the broader reform context. These changes are part of a $2.4 billion investment over the next five years on integrated early childhood initiatives that will provide high-quality services for young children and help build a productive, modern economy for Australia’s future. The measures are supported by the government’s commitment to develop rigorous new quality standards and an A to E quality rating system to raise the quality of childcare services, to drive continuous improvement in the sector and to support the establishment of up to 260 additional early learning and childcare centres to increase the supply of quality child care.

In response to Senator Allison’s concerns about a potential inflationary impact, this is another critical area. One of the reasons costs have been able to escalate is the lack of supply of places, and Labor is committed to addressing this issue. Poor planning has been another problem for this sector. I look forward to us addressing some of those issues. These measures also complement the new investment in early childhood education. The Rudd Labor government has committed $533.5 million over five years to provide all children, including Indigenous children living in remote communities, with access to affordable quality early learning systems.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order! Senator Collins, your time has expired.

Senator JACINTA COLLINS—I seek leave to incorporate the remainder of my comments.

Leave granted.

The remainder of the speech read as follows—

These programs will be delivered by a university qualified teacher, for 15 hours a week, 40 weeks a year in the year before formal schooling. This will be delivered in a range of settings, including long day care, to ensure it meets the needs of working families.

They also sit within Labor’s $55b Working Families Support Package, incorporating: much needed tax relief aimed at working families; the education tax refund; measures aimed at the housing affordability crisis; a fairer Medicare levy surcharge; and the Teen dental plan.

Today’s bill is an important step in making child care in Australia both accessible and affordable. This is an important area of policy that represents an intersection of the government’s social and economic policy agendas.

Finally I want to make some comments acknowledging those who have enabled me to continue promoting my passion for social justice in this place.
Without the support of my family, extended family and broader family in the labour movement this would not be possible.

The labour movement remains another passion and I thank many, including state and federal colleagues, retired Senator Robert Ray, John Lenders, Jenny Lindell, Fiona Richardson but, also, in particular, Michael Donovan and Joe de Bruyn for their ongoing support and encouragement.

My family has grown in my absence but their support, willingly provided to me, can not be underestimated nor left unacknowledged.

My doctor suggested, half seriously, that I use my sabbatical to have another child but instead I became a grand-mother.

I very much value the life experience and balance provided by a full and active family life. (A detailed knowledge, from experience, of many areas of public policy has not hurt either.)

To my parents, Gavin and Shirley; Daryl, James and Madison; Ben, Leaamber and now Charlotte, thankyou for your ongoing faith and support as I re-enter public life once more.

Senator WEBBER (Western Australia) (12.17 pm)—I seek leave to incorporate speeches by Senators Carol Brown and Trish Crossin.

Leave granted.

Senator CAROL BROWN (Tasmania) (12.17 pm)—The incorporated speech read as follows—

I rise to speak on the Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008

This bill delivers on the Rudd Labor Government’s election commitment to help working families meet the costs of childcare by increasing the Childcare Tax Rebate from 30 per cent to 50 per cent of out-of-pocket childcare costs—up to $7,500 a year. The bill will also see the rebate paid quarterly rather than annually.

This initiative will to help take pressure off the household budget and childcare expenses.

The benefits to be had by working families do not stop there. This measure is part of a broader $2.4 billion investment over the next 5 years by the Rudd Labor Government in integrated early childhood initiatives, which will not only provide high-quality services for our young, but also help fight inflation and build a strong economy for our nation’s future.

Indeed, this measure complements by a number of other initiatives put in place by the Rudd Labor Government, to take care of our children and ensure that working families have access to quality, affordable childcare.

In this area, the Government has also committed to:

- Developing rigorous new quality standards and a A to E rating system to foster constant improvement in the quality of services available in the childcare sector;
- Supporting the establishment of up to 260 additional early learning and childcare centres around the country; and
- It has also committed to invest $533.5 million over the next five years to improve access to early childhood education, the provision of which is undoubtedly intrinsically linked to the provision of high quality childcare.

The measures contained in this bill reflect an acknowledgement by the Rudd Labor Government of the current strain being put on families across the country when it comes to juggling the demands of work and home.

It reflects an acknowledgement of the fact that many working families, childcare provides the important connecting link between the work-home divide.

In this sense, the measures contained in this bill, not only directly benefit, childcare users around the country, they also play an important part in facilitating greater workforce participation—and therefore also helping to tackle inflation head on.

The result is a double dividend for working families across Australia.

However, first and foremost, lifting the childcare tax rebate from 30 to 50 per cent as this bill does will directly benefit more than 700,000 families across Australia who access childcare services each year.
In my home state of Tasmania, the measures contained in this bill will directly benefit the some 20 thousand children and their families who access child care services each year.

For the average Australian family, with one child this measure will result in an additional $500 to $2,500 being available in the family budget.

When viewed in the context of the other pressures currently being placed on the household budget by growing housing, petrol and grocery costs- the extra money that families will receive as a result of lifting the childcare tax rebate to 50 per cent will be most welcome by Australian families.

The measure, which, as I said, will result in more money being returned to the back pocket of hard working Australian families, is in stark contrast to, the situation which occurred under the previous Howard Government.

During the term of the previous Howard Government childcare costs almost doubled. In fact, under the Howard Governments watch, in their last five years in Government, the cost of child care rose, on average, 12 per cent per year.

On top of this, the former Government made a further mockery of working families when it forced them to wait up to two years to receive the childcare tax rebate, when it was first introduced.

This was the actions of a Government that after eleven long years in power had gone stale and lost touch of the financial realities being faced by average working families across Australia.

When taking office in November last year, the Rudd Labor Government pledged to assist the family budget by introducing measures aimed at putting money back into the pockets of Australian families.

As I stated earlier, this bill, delivers on that commitment, by lifting the childcare tax rebate from 30 to 50 per cent and giving more money back to families.

Indeed when combined with the other measures such as:

- the $46.7 million in tax cuts for low to middle income earners,
- the introduction of the education tax refund, and;
- the Increase to the Medicare Levy Threshold;
- contained in the Rudd Labor Government’s $55 billion Working Families Support Package the measures contained in this bill reflect a genuine commitment by this Government to assist those families who are doing it tough.

As the Minister for Workplace Relations, Minister for Workplace Relations, Ms Gillard, pointed out in her second reading speech on this bill, the changes to the childcare tax rebate also creates significant flow on benefits in terms of stimulating greater workforce participation.

By easing the pressure placed on the family budget by childcare costs, the increased rebate makes the option of returning easier and more affordable. The significance of this should not be down played, as a survey conducted by the ABS found that concerns regarding the accessibility and affordability of childcare were one of the primary factors contributing to the decision of around 85,000 secondary earners to stay out of the workforce.

And from all accounts, this is the predicament that many families have found themselves in, when trying to manage the family budget and weighing up whether or not it is worthwhile for both parents to return to the workforce.

For women in particular the pressures associated with trying to juggle the costs associated with child care with those associated with rising interest rates, petrol and grocery prices, have left many in a situation where they simply could not afford to return to the workplace.

However, by increasing the childcare rebate and giving families more money in their pockets, the Rudd Labor Government has effectively removed some of the disincentive that previously prevented many secondary earners from returning to work.

The rebate not only gives working families already utilising childcare services more money in their back pocket, it encourages families, which previously might not have been able afford the cost of childcare, to consider returning to the workforce for the first time.

The rebate not only provides more freedom in the family budget, it also effectively provides more
freedom of choice when it comes to option of returning to work after having a child. These are the tough real life decisions that many families and single parents face, after having a child, and the rebate is one of a number of measures which the Rudd Labor Government intends to put in place to make this process, where possible, a little easier.

By facilitating greater workforce participation, the rebate also contributes to helping achieve one of its other primary goals— which is to fight inflation.

When the Rudd Labor Government took office last November, it, it inherited an economy crippled by inflation at its highest levels in 16 years. The Government automatically rolled up its sleeves and made fighting inflation its number one priority.

In light of this, the Government announced a five point plan to tackle inflation- of which lifting workforce participation- was one of the key ingredients.

The proposed increase to the childcare tax rebate, adds to a suite of other measures aimed squarely at achieving this goal.

The increase in the childcare tax rebate is not only good for families, its good for workforce participation and its good for the long term health of the economy. It’s a case of win, win, win for working families.

As a mother of two young children, I know just how quickly the cost of childcare can eat up a significant proportion of the family budget. When elected, the Rudd Labor Government pledged to take action to ease the pressure on the family budget, and with this measure, it has made good on this commitment.

More than 700,000 families, who use child care services each year, will be given more money in their back pocket. Indeed for average family with one child will benefit from an additional $500 to $2,500 a year to put toward the family budget.

Through such measures the Rudd Labor Government has acknowledged the difficulties faced by working families when it comes to balancing the work-home divide.

The rebate reflects a commitment by the Government not only to help working families get on top of the family budget pressures, but also to foster greater choice when it comes to workforce participation, for second income earners.

This bill delivers on just one of the Rudd Labor Governments election commitments designed to assist working families and has my full support.

The passing of this bill, will see families childcare tax rebate increase from 30 per cent to 50 per cent as of 1 July 2008.

I commend the bill to the Chamber.
Last year Federal Labor developed an Affordable Child Care Plan in response to Australian families crying out for help in the face of rising child care costs. This is a $1.6 billion investment as part of an overall $2.4 billion package over the next five years, investing in early childhood initiatives that will provide high-quality services for young children and to help build a productive, modern economy for Australia's future. Federal Labor went to the 2007 election with this commitment, and we are now making good on our promise.

Part of this initiative was to increase the child care tax rebate from 30 per cent to 50 per cent of out-of-pocket child care costs, up to $7,500 per child per year. The bill delivers on this initiative. This rebate has been substantially increased from $4354, giving families more money to put back in the family budget.

The rebate will also be paid quarterly, rather than annually, which allows parents to meet the costs of child care as they occur. The great news is, parents will receive the first quarterly payment this October, easing the stress on the household budget and hopefully making that weekly, fortnightly and monthly juggle easier.

The quarterly payment of the rebate is in stark contrast to the previous governments' child care policy. When the child care tax rebate was introduced after the 2004 election, parents had to wait nearly two years to receive the rebate —long after the ever increasing child care costs had been incurred!

It was only after much community pressure did the previous government see the absolute stupidity in this and make the rebate accessible a year after costs. Federal Labor is making the rebate even more accessible, understanding that parents need the rebate to meet the costs as they arise, not a year later, by paying back the rebate quarterly.

The bill also sets out provisions to ensure quality child care for young Australians and to protect families. It will extend the Civil Penalties and Infringement Notice Scheme to provide a broader range of options for enforcing compliance of child care service providers with their obligations under the Family Assistance Act. These obligations include:

- not passing on appropriate fee reductions to families;
- failure to keep appropriate records;
- failure to provide families with appropriate financial statements
- failure to provide reports on child care usage and child care benefit entitlements for individuals attending the centre
- failure to act on notices from the secretary.

Currently, the only options available when a centre does not comply with their obligations, and that is either criminal prosecution or the suspension or cancellation of the Child Care Benefit. These options directly impact on the fees that families pay. The new scheme allows civil action to be taken without directly impacting on families, which will increase the efficiency and effectiveness of the child care compliance regime. This means centres will be compelled to meet their obligations without resorting to criminal proceedings that may result in the centre receiving a criminal record.

These changes will only impact on centres that don’t fulfil their legal requirements, sending a strong message of deterrence and discouraging child care centres from starting to or continuing non-compliant behaviour.

In line with Federal Labor’s commitment to responsible economic management by reducing the value of payments for those who are able to afford it, there will no longer be a minimum rate of the child care benefit for approved care from July this year. This proposal will only affect high-income families. In the current system, a family’s income determines how much child care benefit they receive, with a minimum rate applied to the highest incomes regardless.

The bill proposes that instead of the child care benefit reducing to a minimum rate, it will continue to reduce until the family’s rate is zero. The cut off mark for the child care benefit will depend on the number of children using approved care, and will effectively mean that high-income families will no longer receive the child care benefit.

However, that being said, any loss families will have by this is more than compensated through the increase in the child care tax rebate. It must be
made clear that all families currently receiving the child care benefit and the child care tax rebate will continue to be eligible for the child care tax rebate, even if they are no longer eligible for the child care benefit due to their high income. As long as families meet the basic eligibility criteria for the child care benefit that are not income related, they will be eligible for the child care tax rebate.

At the moment, with the increased cost of child care fees, parents are considering whether it is worth having both parents in the workforce, if one parent’s wages are going solely to pay the child care fees. The child care tax rebate is aimed at working families and the parents who are seeking to get back into the workplace.

The Federal Labor Government sees the lifting of workforce participation as a crucial part of their five point plan to tackle inflation. By reducing the out-of-pocket expenses felt by families, parents will have the opportunity to get back into the workforce or even take on extra training. It is through increased workforce participation that Australia’s economy is able to build extra capacity, which will help ease inflationary pressures and drive down interest rates.

All these measures put forward in this bill are part of Federal Labor’s $533.5 million investment over five years to give all children, including Indigenous children living in remote communities, access to an affordable quality early learning program, delivered by a university qualified teacher, for 15 hours a week, for 40 weeks a year, in the year before formal schooling. This is set to be delivered in an ambitious quality framework that includes long day care, to make sure it meets the needs of working families and to give our kids the best possible start in life. It will also include integrated care and learning, universal preschool for all pre-primary, a rigorous A to E set of quality standards and a highly trained workforce.

This Government is serious about child care. 260 child care centres will be built around the country in areas of need to address the child care shortage that is plaguing our families, a shortage we are well aware exists, unlike the opposition who last year vehemently denied there was any crisis.

The former Member for Longman, who was also then Minister for Families and Community Services, even went so far as to state in April 2007, that “There is no crisis. I’ve been saying long and hard there are no crises.” This was said much to the incredulity of thousands of families who were searching in vain for a child care vacancy for their children. Of course, the former Member for Longman soon found himself in his own crisis, when his electorate gave him their final verdict on his performance as a local representative on November 24th last year.

Federal Labor is listening to Australian families. We are making a significant contribution in the 2008-09 Budget to help working families meet the costs of child care, and I believe this bill does that. I am happy to commend this bill.

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (12.17 pm)—in reply—I rise to close the debate on this very important Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008. Let me commence my closing remarks by congratulating Senator Collins on her second first speech in the chamber. It is a pleasure, of course, to have her back and a pleasure to be here in the chamber when she delivered her second first speech.

This bill is an important step in the Australian government’s comprehensive plan to deliver affordable, high-quality and accessible early learning and child care. This plan is part of the Australian government’s commitment to create an education revolution and improve social inclusion. Our policies are aimed at creating a more prosperous and equitable society. This is a long-term goal of course that cannot be achieved overnight.

Australia faces significant challenges to improve the productivity and participation of our working population. To this end, the government is making an investment in child care that will make it easier for parents to return to work after the birth of a child. The childcare tax rebate assists not only those parents who were returning directly to work but also those who are participating in study
or training that will help them return to work with a higher skill level. The new childcare measures will assist people who want to work to get back into the workforce. They will boost the economy and put money back in the pockets of working families. This government’s package of childcare measures is an innovative and responsible investment in child care.

In fact, this bill will increase the childcare tax rebate from 30 per cent to 50 per cent of out-of-pocket costs, increasing the maximum payment from $4,354 to $7,505 per child per year. The payment will be made quarterly instead of annually. It will relieve families of financial pressure by providing them with assistance with their childcare costs closer to the time of the childcare expenses. The removal of the minimum rate of childcare benefit will ensure that payments are fair and equitable across different income levels. This change will ensure that assistance is provided where it is most needed. It is a part of the Rudd Labor government’s commitment to responsible economic management.

A number of other amendments are included in this bill that will improve the effectiveness of the current compliance framework and enhance the operation of the childcare management system. We are starting by making child care more accessible for working families. Young people represent the nation’s future prosperity and international competitiveness. It is vital that these measures be put in place as the first stepping stones on the pathway to securing the prosperity that all Australians deserve. I would say in conclusion that I appreciate the contribution of all senators who spoke in this debate. I commend the Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008 to the Senate.

Question agreed to.

Bill read a second time.
me some help here. On the budget’s expanded definition of income—I know you have the advisers there—can you tell me how many residential aged carers will be worse off as a result of the salary sacrifice?

The ACTING DEPUTY PRESIDENT—Senator, this bill is about child care.

Senator FAULKNER—Thank you, Mr Acting Deputy President, for your very wise counsel to Senator Boswell. The situation the chamber faces here is that the government—very generously, I think—gave leave after I had moved the third reading of this bill, to allow Senator Boswell to ask a question. I have to say, through you, Mr Acting Deputy President, that it would not have been unreasonable for the government to have expected—or me to have expected, in this instance—that perhaps the questions would have been in some way relevant to the bill before the chamber. They are not, and I suspect, Senator Boswell, it is not appropriate, on the third reading of this particular bill, to ask questions of that nature. But you know what a cooperative government the Rudd government is and, at the appropriate time, I am sure either I or another minister will be able to assist you with these important questions.

Question agreed to.

Bill read a third time.

QUARANTINE AMENDMENT (NATIONAL HEALTH SECURITY) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator COLBECK (Tasmania) (12.27 pm)—The Senate is considering the Quarantine Amendment (National Health Security) Bill 2008. This bill amends the Quarantine Act 1908 to implement certain requirements of the International Health Regulations, which entered into force in June last year and which were a landmark for the WHO and supporting member states, including Australia. I commend the work of the officers of the Department of Health and Ageing and the Department of Foreign Affairs and Trade who did so much to ensure that the International Health Regulations came into force. It is vital, given the increasing transience of people through air travel, that globalisation with regard to public health protective measures is understood and accepted.

The bill requires travellers who are subject to quarantine, or quarantine officers themselves, to submit themselves to vaccination or other preventative measures, if this is necessary, for the prevention of the spread of quarantinable disease or if the vaccine or other prophylaxis is specified in the International Health Regulations. The bill also makes provisions for certain other changes to align the Quarantine Act with the International Health Regulations, and these are detailed in the minister’s second reading speech.

In the excellent Bills Digest prepared by the Parliamentary Library, there are two matters of concern which are raised, and I invite the Parliamentary Secretary to the Minister for Health and Ageing to respond to these points when she sums up the debate. The first matter of concern is that the bill does not amend the sections of the Quarantine Act which provide that people who refuse to be vaccinated or have other prophylaxes administered, say, for religious or medical reasons, are taken to be guilty of a strict liability offence punishable by 20 penalty points or $2,200.

In addition, there is no appeal process set out in relation to a decision taken to administer a vaccine or prophylaxis in the absence of consent. The explanatory memorandum to
the bill says that a quarantine officer may require a person to be vaccinated in ‘extraordinary circumstances’, but that is not defined. The opposition appreciates that a vaccine would only be forcibly administered in a very extreme case, but it is unsettling for the appeals process not to be spelt out in such a case, however rare. It is also not clear how a medical practitioner would be protected if he or she was compelled to give a vaccination. I would like the parliamentary secretary to explain these points or, if she is unable to do that now, give an assurance to the Senate that a statement will be provided to explain what will occur in these circumstances and what guidance will be given for the exercise of discretion by both quarantine officers and medical practitioners.

Senator BARTLETT (Queensland) (12.30 pm)—The Democrats do not oppose the Quarantine Amendment (National Health Security) Bill 2008. Indeed, we fully support the intent of it, which is to strengthen the protection of the Australian community—in fact, the global community, frankly—with regard to highly contagious and communicable diseases. The updating or amending of the Quarantine Act to achieve that is certainly an important goal and one that is consistent with continuing efforts to cooperate in this area globally. For that reason we certainly support the bill and its intent. We do, however, have a couple of concerns about the way some of these powers may be used, including the capacity to charge individual people for the recovery of the expenses of immunising or providing prophylaxis type treatments, which is one of the new components of the legislation.

I am advised that the core part of the Quarantine Act relating to this, section 75, has never been used. So we are obviously dealing here with extraordinary situations, emergency situations. I fully appreciate that, in such circumstances, when you are looking at all the checks and balances, some of those other procedural safeguards sometimes have to go by the wayside. But, perhaps as a result of my views being coloured by seeing the way our migration laws and processes have been distorted, perverted, debauched and politicised over the last decade or so, I immediately become apprehensive when I see provisions that give wide-ranging discretion to government officials and that do not have appeal rights. I appreciate that if a quarantine officer or the Chief Medical Officer identifies somebody as potentially having a major communicable disease, whether it is one of the traditional ones—if I could use that word—like cholera, plague or rabies, or one of the newer ones like avian influenza or SARS, then obviously they have to act urgently, and the suggestion that they might have to wait until any legal challenges have occurred is not plausible in that context. But, particularly when we are talking about individuals being subject to cost-recovery provisions, it does raise some concerns for me about how that could potentially be misused, either in a malevolent, politicised way—which I do not suggest this government is doing, but I know that has happened to people in the past, with migration issues, as they arrived in Australia—or in some other way down the track. Also, as can often happen when you give any public official unfettered power and unfettered discretion, procedures can be less fair than they might otherwise be. It is really for those reasons that I want to raise the concern, not because I think there is some nefarious intent here. I always get concerned, because of experience, when there is a lack of safeguards, even when an emergency situation applies—in fact, sometimes specifically when the label ‘emergency’ is used to justify the removal of any sort of concept of a fair go or of due process, regardless of the circumstances. I think Senator Colbeck, in much more sedate terms, raised a
similar question in a general sense about parts of this legislation.

It is clear that the provisions do not apply to Australian citizens or people in transit, which I understand to mean the crew of airliners or vessels or whatever, but it certainly applies to newly arrived migrants and, I would assume, to temporary migrants. I assume it would apply to asylum seekers, for example, when they arrive. They are all, quite rightly, assessed for health purposes before they are allowed into the Australian community—and, in any case, they are usually locked up for a lot longer for totally non-quarantine reasons, much to my disapproval. Nonetheless, I am concerned about the potential for these individuals being subjected to a charge, to personal cost-recovery.

I note there are provisions in the bill allowing the minister to remit or refund part or all of the fees if there are exceptional circumstances. But this appears to be completely a matter of ministerial discretion. My understanding is that there is no capacity for any independent review or assessment of whether or not there are exceptional circumstances. As always happens with ministerial discretion, there are no formal appeal rights or processes for applying for remission or refund of fees, so you cannot appeal against the fact or seek independent merits review of the fact that the minister is not going to exercise their discretion. I do not know what the size of the fees are likely to be here. I am not sure whether the minister can give some sort of indication of those things. I know that the fees are not meant to be greater than the actual cost of the measures that are implemented. I am not sure what capacity the minister has for this, but I do seek at least some sort of assurance that in these circumstances—and I appreciate that they are exceedingly rare—there is some wide scope for fair treatment here with regard to people not being slugged with significant costs.

I realise that part of the condition for people getting a visa is that they have to meet the cost of health checks. But people obviously do not go round deliberately trying to catch these diseases. People may have become exposed, for example, to bird flu just before arriving in Australia. So, for us to take a very technical and strict interpretation of a person’s obligation to cover the cost of their health check upon arrival in Australia is, I think, a bit unfair. In the context of a country like Australia, which seeks to attract significant numbers of migrants, we need to make sure that, if incidents like these arise, they are handled in a way that does not give an impression that we are being unduly heavy-handed or unfair in the way that we apply these powers.

I am not sure whether the minister can answer my next query, but it is relevant in the broader context of why this legislation has come forward. There has been a lot of work done at an international level to strengthen the way communicable diseases, particularly bird flu, are dealt with. I have had raised with me a number of times the fact that Taiwan is not part of the World Health Organisation and that the People’s Republic of China often does not like official Taiwanese participation in or recognition by these bodies. I do not want to get into a diplomatic argument about that, but it is an issue for us when we are talking about a body that has been set up to operate globally so as to minimise, in part in this area, the risk and spread of disease and to maximise the fast transfer of information about the potential spread of a disease. To have what for all intents and purposes is an independent nation—a nation that has a population slightly larger than Australia’s—not fully participating in that body is unhelpful in achieving what is the core purpose of some of the changes in the legislation before us today.
I think this issue is relevant to the legislation. It is not something that could be contained in the legislation but I think it is a relevant issue to raise because of the goals that this legislation seeks to achieve. I am not sure whether the minister has the capacity—given that she is acting in a representative role today—to indicate whether the Rudd government has any position on that issue. I think it is a legitimate public health question. It is not a question about the long-running stoush between China and Taiwan, which I do not particularly want to get into in this context. It is really a question about maximum effectiveness of international cooperation on public health matters, which impacts on Australia’s interests and is quite separate from the people of Taiwan. Many people are travelling to and from Australia and Taiwan all the time—which, again, I welcome, as I do those people who are travelling to and from mainland China all the time. I thought I would raise that issue in this context to see whether the minister could provide any information now, on notice or individually.

My core concern with the legislation goes to protection of due process. I appreciate that we are dealing with emergency situations, but I think that, even in those circumstances and even if they are very rare, we need to at least have some clear guidelines and procedures to make sure that people do not get a raw deal.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (12.40 pm)—I thank Senators Colbeck and Bartlett for their contribution to the debate. In the four minutes we have left, I will provide a summing up of the debate to this point. Some reasonable questions have been asked and they warrant a full response. Perhaps we will get to those questions when the debate on this legislation resumes later today, but I do intend to respond to the questions from both Senators Colbeck and Bartlett.

I thank senators who have spoken on the Quarantine Amendment (National Health Security) Bill 2008 and appreciate their contributions and questions. The bill before the parliament today is the second to implement Australia’s treaty obligations relating to public health security under the International Health Regulations, also known as the IHR. The entry into force of the IHR in June 2007 was a public health landmark for the World Health Organisation and for all member states, including Australia. It provided the international community with a new legal framework to better manage its collective defences against public health risks that can spread globally and with devastating effect, as we all know. The National Health Security Act 2007 was passed by the parliament in September 2007. It provides the legal authority and establishes the operational arrangements for Australia to meet its IHR obligations to notify the World Health Organisation of health emergencies and to exchange surveillance information.

The proposed amendments to the Quarantine Act 1908 will implement IHR requirements in relation to vaccinations, prophylaxes, health certificates and charges that may be levied on travellers for measures to protect public health. Firstly, travellers who are subject to quarantine may be required to submit to vaccination or other prophylaxes if this is necessary to prevent the spread of a quarantinable disease or if the vaccination or other prophylaxis is specified in the IHR or recommended by the WHO.

Under our Quarantine Act, Australia has had the capacity to require vaccination for quarantinable diseases for the past 100 years. However, this has not extended to other prophylaxis or to diseases recommended by the World Health Organisation that are not quar-
antinable diseases. Other forms of prophylaxis include antivirals to treat pandemic influenza or antibiotics to treat bacterial infections. This provision would only be applied for diseases with the most serious consequences, such as SARS, plague, rabies, cholera, smallpox or avian influenza. A decision requiring a traveller to be vaccinated or take other forms of prophylaxis would be made on the advice of a qualified medical practitioner having balanced the wishes of the traveller with the broader public health interest in preventing the spread of a dangerous disease in Australia. A person refusing to comply cannot be forcibly vaccinated but could, for example, be kept in isolation until any danger to the community had passed. I think that partially answers one of your questions, Senator Colbeck.

Secondly, the amendments also provide for the issuing of health certificates proving vaccination or other prophylaxis in accordance with the requirements set out in the IHR. It is critical for public health and to facilitate travel that Australia, along with our international neighbours, has the capacity to issue all essential paperwork in line with international standards.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! It being 12.45 pm, the debate is interrupted and we move to non-controversial legislation.

EXPORT MARKET DEVELOPMENT GRANTS AMENDMENT BILL 2008
Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator IAN MACDONALD (Queensland) (12.45 pm)—The coalition supports the Export Market Development Grants Amendment Bill 2008 and is pleased to see that additional money is being provided for this export development grants program. The shadow minister for trade, Mr MacFarlane, in the other place, indicated the coalition's attitude towards this and I do not want to take up the time of the Senate to repeat what he has said. I will simply indicate that the coalition does support the bill.

The Labor Party indicated prior to the election that they would do magnificent things with the Export Market Development Grants Scheme and they ran around telling that to those who are interested—and a lot of them are in the tourist industry up where I come from in Far North Queensland. Those people believed that there was to be a significant increase in funding for this program. I just want to point out some of the facts of this program. In the 2007-08 year, which is the year just gone, $156 million was provided by the coalition government. That fell short by about $25 million of what was required to pay 100 per cent of the claims made under this grants program. That meant that anyone who put in an application was immediately paid, as I understand it, $70,000 towards their grant. Then the department assessed how many applications were being made. The program was capped in 2007-08 at $156 million. If there were more applications than there was money available then everyone got a rebatable lesser amount.

The Labor Party criticised the coalition prior to the election for the administration of this program, but it was a very good program that the coalition had been running for more than 11 years. I want to point out that until 30 November 2007 the people administering this grant were not aware of what the shortfall might be because the applications did not come in until that time. It was only after 30 November 2007 that anyone would have been aware that there was a shortfall of some $25 million.
The Labor Party provided $150 million in this year, which is less than—and this is the point I want to make for those interested in this particular area—what the coalition provided last year, in spite of the promises of the Labor Party to do marvellous things for the whole program. But the Labor Party have said, ‘Look at the 2009-10 year, where we have increased it to $200 million.’ That is the bit that the coalition support; we do support the increase in the money being made available. If you then look further into the forward estimates for the out years, you will find that the Labor Party, very sneakily, very meanly and with the usual lack of accountability that we have come to expect of it, has set the amount for this grant back to $150 million. I just want to repeat those figures. In the last year of the Howard government it was $156 million. This year, 2008-09, it is $150 million, which is $6 million less than last year. For 2009-10 it increases to $200 million—good luck with that; we support that. Then in the next two out years it is back to $150 million, which is less than it was in the last year of the Howard government.

Time is against me today. This is unfortunately a non-controversial bill and we are rushing to get through an enormous program that the new government has pushed upon the Senate in the last two weeks of sittings for this term, so I do not have a lot of time to go into the details. But this will cause real problems to those who participate in the Export Market Development Grants Scheme because they have come to expect a certain amount of money. The categories which can apply for the scheme have now been broadened and we support that, except that the amount of money being made available for next year is less than it was in the last year of the Howard government.

I am told by those in industries that do make use of the export market development grants that this really means people with small to medium businesses, who are the main people involved in EMDG, will not pursue overseas activities in export market development because they will be unsure of what they will get. On the figures that have been given to me, they may well get a very, very small additional payment, which means that for many of them it will simply not be worthwhile to do the export market development because they know that the grants they have come to rely upon in the last 10 to 11 years will no longer be there. It was suggested to me that, while everyone will continue to get the first $70,000, under the new regime it is likely that they will barely get 10 to 15 per cent of the balance of their claim, which they might otherwise have been given.

Although we support this bill because of the expansion, I just point out the hypocrisy of the Labor government in providing less this year than what was provided last year. While there is an increase in the following year for an expanded range of applications, in the two years following that, according to the estimates figures—I will be interested to hear what the minister says about this, but the figures are there and he can see them as well as I can—at $150 million. Because of the time, I will leave it there. I simply wanted to alert the Senate to this approach of giving with one hand and taking with the other that the Labor Party has taken on trade matters and on the development of export markets. My own parochial involvement is in the northern Australian tourism industry. That industry does rely on these grants, but, in the future, it will be very reluctant to use them, because there is every likelihood, according to industry sources, that they will get only a pittance back from the money they spend on export market development.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (12.53 pm)—I do not thank Senator Mac-
Senator for some of the content of his speech, but I do thank him for drawing the broad principles and critique to the attention of the Senate. What, in fact, he has highlighted is the much more responsible budget approach of this government to the program and the fiscally conservative approach we take to these particular funding matters. The Export Market Development Grants Amendment Bill 2008 does expand the maximum grant by $50,000 to $200,000. There is additional funding of $50 million in the 2009-10 financial year. Senator Macdonald drew our attention to that and asked, ‘Where is the additional funding for the years beyond 2009-10?’ The funding amounts will be subject to what is known as the Mortimer review, which will examine the outcomes of the program in the next financial year. That is a prudent approach, Senator Macdonald, to the outcomes that are claimed may occur as a result of the expansion of the scheme. I am informed that the previous Liberal government did expand the scheme but did not provide any additional funding in the out years. They may, in fact, have done so if they had continued in government. I thank Senator Macdonald for his contribution. Our approach is fiscally conservative. It is a responsible approach to budget funding. We stand by it, and we commend the bill to the Senate.

Question agreed to.

Third Reading
Bill passed through its remaining stages without amendment or debate.

Second Reading
Debate resumed from 15 May, on motion by Senator Sherry:

That this bill be now read a second time.

Senator MINCHIN (South Australia) (12.56 pm)—I am pleased to confirm that the coalition supports the Veterans’ Entitlements Legislation Amendment (2007 Election Commitments) Bill 2008. Our shadow minister for veterans’ affairs, Bronwyn Bishop, outlined in the other chamber the reasons for our support of this measure. We acknowledge that this does deliver on an election commitment made by the Australian Labor Party, and the coalition support it, both for that reason and for its substance. It proposes to extend entitlements to veterans, war widows and war widowers by amending the Veterans’ Entitlement Act 1986. It contains three specific measures, which I will not detail, but which we do support. The financial impact of this measure is quite small. The financial impact is only $700,000 in 2008-09, $1½ million in 2009-10 and $2.3 million in 2010-11. It is a relatively small financial impact, but it is important to those who will benefit from it. We are happy to indicate our support.

Throughout our period in government, we put enormous effort into supporting Australia’s veterans and improving their pension conditions. We are very proud of our record. While we support this bill, we will be watching the new Labor government’s policies in relating to veterans very closely. We are well aware of the experience that veterans had under former Labor governments, when there were significant cuts to many of the programs for veterans. Indeed, there is in the budget in another area a change to the eligibility for the partner service pension that the Prime Minister himself did not even seem to be aware of when asked about it during question time yesterday. That particular matter is being examined by, appropriately, a Senate committee before it is considered next week. We will be examining the effect of those changes very carefully. In the interests of
brevity, I simply indicate our support for this bill and the measures it contains.

Senator MARK BISHOP (Western Australia) (12.58 pm)—I, too, wish to briefly address the content of the Veterans’ Entitlements Legislation Amendment (2007 Election Commitments) Bill 2008. This bill honours our election commitments to veterans and their families. It is part of the government’s commitment to ending discrimination in the payment of benefits to veterans’ partners and families who have suffered as a result of their service to our country over many years. We have an obligation to care and provide for those whose partners were lost in action or died as a result of their war caused injuries or illnesses. Moreover, we have a proud tradition of doing so in a largely apolitical fashion. It is important that support for veterans’ families is relevant to contemporary needs, with a strong emphasis on the principles of fairness, equity and transparency.

Having said that, the area of the Veterans’ Entitlements Act that has long needed revision is the anomalies and discrimination that exist in the provision for war widows or war widowers. I have some association with these initiatives, so I am quite pleased to be able to support them today. They were part of Labor’s election platform at the 2004 election and have remained in place as part of our platform since that time. They might seem minor to some; in fact, that was the reaction when the idea was first floated with ex-service organisations. The fact is, however, that outside the mainstream of ex-service organisations there are some small groups that are not well-organised and struggle to be heard. In some cases there may be no organisations in existence at all.

The two amendments in this bill do fit within those descriptions. Neither of them came within the grand review of Mr Justice Clarke and they were not on his agenda or on his set of recommendations. The reason simply was that they either were not understood or were regarded as being of lesser importance. They are neither. It was a case of the noisy wheel getting the grease.

Let me address the first of the amendments. When I was the opposition spokesperson for veterans’ affairs, I was introduced by the member for Shortland, Ms Jill Hall, to a group of ladies in the Hunter region who had formed what has become known as the Partners of Veterans Association; it now has a large number of branches right around Australia. These people—some of whom were partners of TPI veterans—were young and so under the cut-off age for income support. They feared that, on the loss of their husbands, they would become destitute. That was indeed the future that many of them were about to face, simply because of a decision made previously, for different reasons, which would have excluded them from the income support supplement, or the ISS, as it has become known. They had cared for their incapacitated husbands, whose life expectancy may have been reduced. But, on their partner’s death, they would have only received the war widows pension and the gold card. As we know, the gold card is much prized for its health care, but it does not pay the rent and nor does it put food on the table, and that was especially the case where the children had left home. These caring people were in the circumstance of having never had an opportunity to save capital or to provide for their lives as widows in retirement. This, I believe, is a serious anomaly. Indeed, this was an anomaly that was not readily identified with by many of the premier ex-service organisations; yet it was the primary focus of this small group, the Partners of Veterans Association of Australia, or PVA.

It is therefore very satisfying that, after all this time, we have a bill that addresses the
problem. The bill extends eligibility for income support supplement to war widows who are not of pension age, do not have dependent children and are not permanently incapacitated for work—that is, it extends a benefit to war widows or widowers who struggle to make ends meet. Approximately 1,400 war widows will benefit from this change—that is, 1,400 families who are not currently entitled to income support supplement.

The second change relates to bereavement payments. This initiative again has a simple origin. I was contacted by an RSL member on the NSW South Coast who had just passed the hat around to pay for the funeral of a single veteran who had died penniless. Because he had no family, his estate, such as it was, had no funds for a funeral. Bereavement payments are simply not available in these circumstances, and this amendment corrects that shortcoming. Again, not many would be aware of this gap, but it has existed for many years. Those who are aware of it are those who care; they have assumed responsibility for looking after comrades who fell into indigent circumstances. This is an aspect of veterans’ organisations that is not often understood or appreciated. Veterans look after their own, and their stories are not often told nor heard. But, sadly, more often than you hear about, there are veterans who fall on hard times and die in tragic circumstances. These veterans have served their country. Their demise may in fact have been due to their incapacity to deal with modern life as a result of their service. We simply do not know. The point is that it does happen and the system has not provided for them in this respect, but it will do so in the future. My view has long been that this is the least we can do for this unfortunate group of individuals. It is merely a one-off payment equivalent to 12 weeks of the special rate of disability pension. Bereavement payments will now be extended to include the estate of single recipients of both the special rate and the extreme disablement adjustment rate of the disability pension who have died in indigent circumstances. I am therefore very pleased today to be able to support this amendment because of its immediate impact on those who pass on early.

Finally, this bill will extend the automatic grant of war widows or widowers pensions to the families of veterans who were in receipt of either the temporary special rate or the intermediate rate of disability pension under the Veterans’ Entitlements Act immediately before their death. This is currently only provided to veterans’ partners where the veteran was either in receipt of a TPI pension or had been a prisoner of war. I think we all recognise that TPI or intermediate rate veterans are all accepted as having a fairly serious disability as a result of their service. Sadly, the odds are that their deaths will be caused by that disability, so the need for a widow to prove that her late partner’s death was war caused is really quite offensive. The need for a separate application is also redundant. So, in effect, this deals with reality and provides better service, not to mention the recognition that it gives them for caring for and supporting our veterans.

As I said at the outset, these are small measures that have long been in the pipeline. The Australian Labor Party is very pleased to be able to remedy these problems, which impact on a relatively small group of people but a group of people who are much in need. Accordingly, we support this bill.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.07 pm)—I thank Senator Minchin and Senator Bishop for their contributions. I particularly want to acknowledge the work of Senator Bishop. He knows, I think, more than almost anyone about policy develop-
ment in this area. He covered the changes in his contribution in great detail. When he was our shadow minister, he played a major role and in fact identified the issues—the improvements in veterans entitlements—that are before the Senate. He identified those issues, those gaps, in his capacity as shadow minister, and then that was carried through and presented as policy at the last election. So I want to acknowledge the very important role that Senator Bishop played and the detailed knowledge he has about the policy development. As he said, a relatively small number of people and a modest cost are involved, but, just the same, the gaps and disadvantage that were identified are very important to those individuals affected. I commend the Veterans' Entitlements Legislation Amendment (2007 Election Commitments) Bill 2008 to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

BUSINESS

Rearrangement

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.09 pm)—I move:

That intervening business be postponed till after consideration of the following government business orders of the day:

No. 15 Health Care (Appropriation) Amendment Bill 2008.

No. 16 Private Health Insurance Legislation Amendment Bill 2008.

No. 17 Health Insurance Amendment (90 Day Pay Doctor Cheque Scheme) Bill 2008.

Question agreed to.

HEALTH CARE (APPROPRIATION) AMENDMENT BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator COLBECK (Tasmania) (1.10 pm)—The Senate is considering the Health Care (Appropriation) Amendment Bill 2008. This is a minor bill to increase the appropriation to states and territories under the Australian healthcare agreements by $10.25 billion. It is necessary because of the government's decision to postpone the negotiations for the new round of agreements scheduled for the later part of 2008.

During estimates, I was pleased that the chair of the new Health and Hospitals Reform Commission, Dr Christine Bennett, agreed to appear and answer questions about the work of the commission towards providing advice to the government on, amongst other things, future funding for states and territories. There are a couple of things, however, that I would like to place on record in this debate. The Prime Minister, Mr Rudd, and the Minister for Health and Ageing, Ms Roxon, trumpeted that the new commission would operate in a non-political way, and indeed I hope that this is the case. I note that Dr Bennett agreed to provide a briefing to the shadow minister if he were to seek one. At the same time, Mr Rudd and Ms Roxon decided to make the point that one of the members of the commission was a former Liberal member of state parliament, but they did not point out that another member of the commission was a former Labor member of parliament. I would urge the government to take caution when using this approach because it does potentially damage the goodwill that exists towards this new commission.

The other thing that interests me in the evidence that the commission chair gave to
the estimates hearing is that, in their consultations around Australia, the commissioners were finding that public hospitals needed what Dr Bennett called ‘a public voice’. This was in response to a question that I posed about whether or not the commission had a view on whether hospitals should have a board of management. It is interesting that the commission appears to be taking this view, given the vitriol that was poured on the previous Minister for Health and Ageing, Mr Tony Abbott, before and during the election campaign, when he said that the coalition supported the establishment of boards of management for hospitals.

The current government, even in the last seven or so months, does not have a very good record in that matter, I must say. The only hospital board of management directly reporting to the federal minister, the board of the Mersey Community Hospital, was summarily sacked by the new minister—without notice, I might add—which was quite disappointing. I am sure that the board members were very disappointed with this treatment, given that they are leaders in their community—including, incidentally, a former National President of the Australian Labor Party. So we watch with interest what the minister does about community involvement in public hospitals.

One of the points raised in the Bills Digest for this bill is that, in spite of increased expenditure on the healthcare system overall, there appear to be no incentives for the states and territories to find efficiencies in funding for the interim year. Nor has the Commonwealth indicated how the special grant of $500 million given to states and territories should be spent, other than the vague phrase that it is ‘for relieving pressure’. The opposition is, of course, fully supportive of relieving pressure on the public hospital system, especially given that the changes to the Medicare levy surcharge thresholds are likely to add pressure. We have seen evidence of that in the Tasmanian budget in the last week. With those remarks, I advise the Senate that the opposition will not be opposing the bill.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.13 pm)—I thank Senator Colbeck for his support for the Health Care (Appropriation) Amendment Bill 2008. However, I would not use the word ‘sacking’ of the advisory group in the Devonport Mersey debate.

Senator Colbeck—Well, that’s what they think, Senator.

Senator SHERRY—I would not describe it as ‘sacking’. They might think that, but then necessarily, Senator Colbeck, their views are their views. I think it is somewhat harsh to describe the events as that. I am sure, Senator Colbeck, as you and I well know, given that we both live in Devonport—I think I could say for both of us that we would hope to see a satisfactory and rapid conclusion to the outcomes at the Mersey, better known locally as the Latrobe, hospital. With that, I thank the Senate for its support for the legislation.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

PRIVATE HEALTH INSURANCE LEGISLATION AMENDMENT BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator COLBECK (Tasmania) (1.15 pm)—I take this opportunity of speaking on the Private Health Insurance Legislation...
Amendment Bill 2008 to remark on the excellent work that the Private Health Insurance Administration Council does. It has a very comprehensive website, which provides valuable statistics on the take-up of private health insurance broken down by age, state and territory, and in the current debate in particular it is a most useful resource. The Chief Executive Officer of the Private Health Insurance Administration Council, Ms Gayle Ginnane, recently retired from the position after 12 years. She was the foundation CEO. On behalf of the opposition I would like to record our appreciation for her work over the years for the Commonwealth of Australia and for improving public understanding of the private health insurance industry.

At present the Private Health Insurance Act allows a private health insurer to be registered as either a company or a registered body within the meaning of the Corporations Act. The bill before the Senate will require all private health insurers to be companies and will regularise accountability and governance standards. I am advised that there are currently 38 registered health insurers and only four are not companies. This bill gives these four until January 2010 to become companies. Finally, the bill removes doubts that the principal act allows private health insurers to operate pilot projects. This should encourage the provision of broader health cover and enhance the range of private healthcare products that are available to the Australian public. The opposition supports the bill.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.17 pm)—I thank Senator Colbeck for his contribution. I note also, in terms of my responsibilities for ASIC and corporations law, the removal of the dual regulation is important in the context of administrative costs, red tape and the administrative burden. 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.

HEALTH INSURANCE AMENDMENT (90 DAY PAY DOCTOR CHEQUE SCHEME) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator COLBECK (Tasmania) (1.18 pm)—The Senate is considering the Health Insurance Amendment (90 Day Pay Doctor Cheque Scheme) Bill 2008. The 90 Day Pay Doctor Cheque Scheme was introduced by the Howard government in 2001 to guarantee the payment of Medicare schedule fees to general practitioners even when accounts were not paid. At the time the scheme was introduced it was noted that the nonpayment of patients’ accounts is not limited to GPs. This bill proposes to extend the scheme to a wider range of medical practitioners, specifically specialists, consultant physicians and pathologists. This extension will give an incentive for a wider range of medical practitioners to use electronic claiming of Medicare benefits because the bill proposes that access to the scheme will depend upon the original claim being lodged electronically. We commend the bill to the Senate.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.19 pm)—I thank Senator Colbeck for his contribution and 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.

DEFENCE HOME OWNERSHIP ASSISTANCE SCHEME BILL 2008
DEFENCE HOME OWNERSHIP ASSISTANCE SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That these bills be now read a second time.

Senator MINCHIN (South Australia—Leader of the Opposition in the Senate) (1.19 pm)—The coalition strongly supports the Defence Home Ownership Assistance Scheme Bill 2008 and the Defence Home Ownership Assistance Scheme (Consequential Amendments) Bill 2008. These bills in fact implement a very significant coalition policy commitment to establishing a new scheme to provide financial assistance to members of the Defence Force for the purchase, maintenance and development of their homes. We are very pleased that these bills have finally made it onto the floor of this chamber for debate. We strongly support this measure and the commencement date of 1 July. We acknowledge the strong support for this measure by many defence personnel and their families. It is a package which will allow ADF personnel to have access to a more appropriate method of home loan assistance that more appropriately reflects the requirements of ADF service in the current housing market.

It is important to note that a range of other housing and assistance measures will continue but that these bills close the former Defence Home Owners Scheme to serving members who have not yet exercised their rights under that scheme. The bills will allow for the transition of eligible persons into the new scheme. The new scheme, as announced by the former coalition government in 2007, is much more contemporary and generous than the previous scheme, and we do welcome the new government’s adoption of this coalition initiative. The bill implements a 2007 decision of the former government aimed at increasing rates of retention in the ADF. In 2006 the Defence Force (Home Loans Assistance) Amendment Bill extended the life of the Defence Home Owners Scheme by 12 months to allow Defence to conduct a review of the scheme. The objective of the review was to look at the scheme and examine options for a revised scheme that would: support recruitment, retention and resettlement; recognise the benefits homeownership provides to both members and Defence; and be cost-effective for Defence. In the 2007 budget the former coalition government announced the response to that Defence review and provided additional funding of $864 million out to 2016-17 in the form of a home loan interest subsidy to involve progressively higher subsidy assistance to ADF members who serve beyond critical retention points.

In 2007 amending legislation was passed extending the life of the current scheme until 30 June this year while legislation to implement the 2007 budget decision was prepared. It was the former coalition government’s desire that the new scheme come into operation by 1 July 2008, but of course legislation to that effect was being drafted when parliament was prorogued. We are pleased that the Labor Party supported this measure in opposition. This bill in fact reflects the original announcement made by the former coalition government. I agree with my colleague in the House of Representatives Mr Bob Baldwin, who said:

... I think it is important for information about this scheme to be clearly ... communicated with ADF
personnel and their families. It is important to make sure they are aware of the various fees imposed by their current financial institutions if they switch mortgages to take up this new subsidy scheme.

Ultimately, the decision to take on a home loan or change home loans is a big financial decision for any individual or family, including those in the ADF. Financial decisions of this nature require an analysis of their impact on the family budget and disposable incomes over the life of the loan. So these are big decisions. Implementing this new scheme, Defence and the government will need to ensure that families have access to the information they need to make an informed decision.

The bill provides that there will be a review of the scheme after four years, with Defence reporting on the outcome of the review, for consideration in the context of the 2012-13 budget deliberations. We would suggest to the government that they provide updates on the operation of the scheme earlier than year 4, when the review will occur, including an examination of the impact of the critical retention points and the operation of the scheme overall. We believe that should include qualitative as well as quantitative advice on satisfaction with the scheme by ADF personnel and their families, particularly on the ease of understanding the scheme’s operation. I want to take this opportunity to commend the work of the Defence Families association. They have been very strong in their advocacy and support for this measure and have been, of course, very keen to see it come into effect on 1 July this year.

In the other place, the shadow assistant defence minister, Mr Bob Baldwin, moved a second reading amendment that called for the government to consider amending the bill to give access to the maximum subsidised loan entitlement to the surviving partner of a member of the Defence Force who has died in warlike service. May I say, contrary to the allegations of the Minister for Defence, the opposition’s amendment was entirely in accordance with the standing orders, and that was confirmed by the House clerks. We are disappointed that the government has not seen fit to support what we think is a very good amendment. But, in the interests of getting this bill through so that the scheme can commence on 1 July, we will not be moving that amendment in the Senate. However, we urge the government to consider a subsequent amendment to the scheme to incorporate our suggestion. Defence families want to see this bill in place, so we will not be doing anything to delay it in any way. We are very pleased that defence personnel will have access to the scheme—a scheme that the coalition announced last year. We look forward to ADF families utilising the subsidy and we look forward very much to this scheme having a material impact on retention rates in the ADF. I commend the bill to the Senate.

Senator BARTLETT (Queensland) (1.25 pm)—The Democrats support the Defence Home Ownership Assistance Scheme Bill 2008 and the Defence Home Ownership Assistance Scheme (Consequential Amendments) Bill 2008. I want to make a few comments on the content of it and some broader issues. Senator Minchin in his contribution mentioned the stance the coalition took in the House of Representatives in seeking to get the government to consider modifying the bill. I appreciate the reasons he gave for the coalition not pursuing that via an amendment here. Obviously, if they had it would have passed, because they have the numbers here. But these matters are always matters for judgement, and I certainly recognise that the desire to just get the scheme up and running by 1 July is a valid one. Some of the differing views about how it could perhaps be finessed further can be considered as part of
the review of the scheme down the track. The issue that Senator Minchin mentioned that the coalition was pursuing is about whether or not it could be ensured there would be automatic eligibility for the surviving partner of a Defence Force person who died in warlike service to have access to the maximum subsidised loan entitlement.

I want to note the views of the Injured Service Persons Association, who wrote to me—I think they would have written to all the ministerial and shadow ministerial spokespersons on this issue. They spoke about their support for this broader issue but also raised an issue of ongoing concern for that association—that there is different treatment depending on whether or not a spouse survives a person killed in warlike situations or other situations. They make the point about the desirability of ensuring that eligibility criteria are such that support is made available to surviving spouses not just for warlike service but also for peacemaking services and service declared as hazardous. I know that is a view that is not universal by any means amongst defence personnel, veterans and ex-service organisations; that is an ongoing debate. But in my view there should be wider recognition, whether people are injured or killed, beyond those in warlike service. People who join the defence services do not have a lot of say about where they are deployed. You can be in extremely hazardous situations just training for military action or military service. Regardless of whether or not you end up in a warlike zone or warlike service, you are still at risk—you are at risk of severe injury, you are at risk of being killed. In those circumstances, it is my personal view that, when that injury or fatal incident occurs, trying to create a distinction between warlike service and other types of service is not reasonable, at least in regard to entitlements for surviving spouses and families.

Given that this is probably the final time I will speak on defence personnel and veterans related legislation as a member of the Senate, I would like to note all of the work of the range of ex-service organisations. I have particular admiration for the work of the Injured Service Persons Association in trying to get the often neglected views of their members and people in those circumstances given greater consideration. I hope in the review of this scheme their views are given wider consideration by the government and by all the people engaged with this issue.

It would be remiss of me not to note that with both this legislation and indeed the previous legislation that was debated half an hour or so ago, the veterans entitlements legislation, there is the continuing issue of discrimination against people whose partner is of the same sex. We had a reasonable amount of debate on the issue of same-sex couples in this chamber earlier this week, and I know the government has put on the record its intention to bring forward wide-ranging legislation in response to the Human Rights and Equal Opportunity Commission report on discrimination against same-sex couples. So, whilst many times in the past I, and other Democrat senators, have moved amendments to address what I believe is an ongoing injustice, I will not do so on this occasion. We have rarely been successful with those amendments but, given the nature of commitments about legislation to be introduced soon, and given that we have already canvassed the issue on a broader scale in debate in this chamber earlier this week, I will not push it by way of formal amendments. But I would simply make this point and remind senators and others in the community that this discrimination reaches into a huge range of Commonwealth law and a huge range of entitlements that are denied to people purely on the basis of the gender of their partner if they are in a same-sex relationship. When
you are particularly talking about a measure that is aimed at creating greater incentive for retention of personnel in the defence forces, such discrimination really does not make much sense. It undermines the intent of measures like this.

It is very important that we look for ways to improve retention—and indeed recruitment in the first place—of people in the defence forces, and if you have a group of Australians who are discriminated against, purely on the basis of their sexuality or on the basis that their partner is of the same sex, then you undermine the goal of retention. I think from that point of view alone, let alone the issue of basic justice and fairness, it makes sense to remove this discrimination. This is a new scheme, as Senator Minchin has pointed out, so I think it would have been quite appropriate to have ensured that as this new scheme operated discrimination did not occur. This is particularly so when you are talking about a situation where a surviving spouse may have eligibility for ongoing entitlements, given that you are talking about a circumstance where a person’s partner gets killed in the service of country, which is obviously enormously traumatic. That is traumatic for everybody and particularly so for the family. That is particularly traumatic for the spouse. So it is equally important that one group of spouses get not just the subsidy but also the recognition. It is not simply a matter of another group of people wanting access to the subsidy; it is a matter of their having recognition of the validity of their relationship at a time when that relationship has ended in the most traumatic way. So it is a real imperative that this discrimination be removed as soon as possible, and I do urge the government to move on that.

The only other comment I would make is on the wider issue of access to housing. My understanding of one of the reasons behind this new measure being brought in, given that the nature of assistance provided to defence personnel with regard to housing is being updated, is the changing nature of the housing market and indeed the creation of problems to do with housing affordability as well as some of the specific issues that apply to people in the Australian Defence Force. I do not want to go into the whole issue of housing affordability more broadly, but I would say that as a general principle these days I do not support, and the Australian Democrats do not support, interest subsidies as a way of enabling people to afford a home. But the context of this measure is as much about an incentive to improve retention because, as I understand it, the scheme increases in value and the incentive improves the longer people remain in active service, so they get progressively higher levels of benefits after extra years of service. I think the higher levels come into effect at the eight-year and 10-year marks for permanent members of the Defence Force and 12-year and 16-year marks for people in the reserves.

Clearly, given those circumstances, you have a mechanism that provides a real incentive for people to stay in the Defence Force—and that is a real issue. In that context I think it is valid to provide a mechanism like this, but I do want to put on the record that that does not mean that I or the Democrats think that it is a good general policy to deal with the difficulty of affording a home by subsidising home interest rates or the interest payments of home buyers. I think that would be immensely inflationary, with a further distortion of the market. It would cost a lot of money and would be economically irresponsible and non-conservative. Therefore I certainly do not think that sort of measure should be applied, although I know the government has not signalled any intention to do so.
We do support the legislation and we do welcome in particular the intent of it. I have spoken a number of times in this place about the importance of working harder on the retention of defence personnel. This is one of the ways of doing it. Another is ensuring, when they do get harmed, injured or wounded, that they are given the best treatment possible. I think we have had improvements in that area as well in recent years but we do have some way to go, so I urge that those efforts to improve performance in that area continue.

Senator WEBBER (Western Australia) (1.36 pm)—Mr Acting Deputy President Bishop, seeing that you are now occupying the chair in this chamber I seek leave on your behalf to incorporate in Hansard your remarks on the Defence Home Ownership Assistance Scheme Bill 2008 and related bill.

Leave granted.

Senator MARK BISHOP (Western Australia) (1.36 pm)—The incorporated speech read as follows—

This bill has been a long time in gestation. In the past couple of years we have seen the current, inadequate scheme extended a number of times. The scheme has been administered by Defence Housing Australia, previously the Defence Housing Authority, with funds provided by the National Australia Bank. It should have been replaced years ago. There are two reasons for saying this: firstly, the loans available that attract any subsidy are limited to $80,000—which means the balance of any home loan or indeed any second mortgage is obtained at market rates. Secondly, there is currently only one provider of loans under the scheme and that is the National Australia Bank. Information available indicates that of the 50,000 ADF personnel - only 4,500 current serving personnel have taken advantage of it. No doubt some have chosen to borrow elsewhere without taking advantage of the subsidy.

It is obvious that many defence force personnel and their families prefer to rent. That too is attractive given the generous level of subsidy available, and good quality rental housing is now provided by DHA. It can also be said that properties surrounding some Defence bases are not always an attractive investment propositions. In remote areas of course there may be no investment opportunities at all. In others, it simply might not be a sensible investment option due to low rates of capital gain, not to mention the constant disruption of buying and selling in short time frames because of 2 to 3 year posting rotations. Indeed that problem will also apply to the new scheme. However, for some a property purchased in a good locality may become an investment property for the future, as properties purchased with a subsidy can be rented out after one year of occupation. And I understand this has occurred. However, the subsidy will then become taxable. Although, with a capital gains tax exemption. Rental subsidies can then be accessed as normal.

We should be encouraging a higher level of home ownership among ADF personnel. Home ownership is enjoyed by 70% of the Australian population, but denied ADF people. It is effectively denied, not because ADF families are unable or unwilling to work towards home ownership but because of frequent postings, the volatile nature of the property market in many of places where bases are located, it makes the decision to purchase difficult. By contrast, there is a high standard of subsidised rental housing. Home ownership might not seem worth the trouble.

The difficulty with the new policy is that some of those qualifications remain—but more on that shortly. Let me describe the key features of the new scheme. The new scheme is in fact much more than a home ownership scheme. It will also compliment the Government’s, retention programs. This is because the subsidy available to those borrowing for their own home will progress in 3 stages. These steps align with the major points in a career when people are shown to resign. That is, at the 4, 8 and 12 year marks. At each stage in this new scheme, the level of borrowing which attracts the subsidy of 37.5% or interest paid increases. While no subsidy is available in the first 4 years of service, it will come into effect at a time when young recruits are contemplating their future career path. And so the scheme will provide an added and generous in-
centive for them to continue their career in our Defence forces.

Not only is it a genuine and generous home ownership scheme; it will make an attractive recruitment tool. I would like to talk briefly on the generous nature of the new scheme. At the first stage of 4 years the maximum borrowing attracting the subsidy of 37.5% on an amount of just over $187,000. This equates to approximately 2% less than current market interest rates. This is 40% of the national weighted average house price and the value of the subsidy on that amount is $350.00 per month. At the 8 year point the limit attracts subsidy increases to 60% of the average house price, or around $280,000. The value to eligible personnel is $525.00 per month. At the 12 year point it goes to 80% of the average house price or $374,000—and an allowance value of $700 per month. Given that the current interest payable on a mortgage of $230,000 is about $1600 per month—this is a significant allowance. The applicable rate of interest on which the subsidy is based will be set at the median interest rate applicable on or after the 1st July. That is when the new scheme becomes operational. It should be noted that interest rate rises above that level will not be subsidised, but falls in interest rates will result in a decrease in the subsidy.

Overall this scheme entails an entitlement lasting 20 years. For those with war-like service, that period increases for maximum of a further 5 years. Of course that will depend on the accumulated war-like service. This is an entitlement translated from the current scheme. For reservists the benefits are the same except that the service periods will progress at 8, 12 or 16 years. Provision is made for the reservists who perform continuous full time service, and their entitlements will be advanced accordingly.

The other key factor of this scheme is that the benefit accrues to ADF personnel, even if they might not immediately take advantage of it. Provisions are made in the bill for entitlements to be cashed out providing that amount is used to purchase a home. Unlike the current scheme administered by DHA with National Australia Bank as the sole provider, this scheme is to be administered by the Department of Veterans’ Affairs. The decision was taken after a public tender. Rather than one single provider there will be 3—also decided following an open public tender. Obviously 3 is better than 1 - but of course the obvious question is why not an open market? I understand this decision to set a limit on number of providers was made by Dr Nelson the previous government’s Minister for Defence. The 3 providers chosen are NAB and the two Defence Credit Unions.

Whether a broader market model might have been closer is a moot point. Any changes will entail another tender process and therefore lead to a delay in the introduction of the new scheme. Clearly the restriction of the market to 3 providers provides limited choice and it also guarantees a larger guaranteed market for the 3 providers. This we are told reduces the administrative burden in reconciling payments, but in turn no doubt assists a healthier revenue stream back to the Commonwealth through franchise fees. Franchise fees of this nature have attracted some controversy in that they are seen as exploitive. In fact, such fees seem to be part of the market. And given that the taxpayers are providing a healthy parcel of business it would seem to me to be smart. To the extent that there is significant income stream to the Commonwealth, it might also be said that this enables the level of subsidy provided to be more generous.

Mr Acting Deputy President that in a nutshell is the new scheme. It will be very interesting indeed to see the effect it will have on retention rates over the coming years. In fact given the current level of retention bonuses, salary reviews and all other allowances, it is very clear that we value the experience and expertise of our serving personnel. This new scheme is a part of the current policy matrix. We must also consider the other incentives available. Firstly, there is the Defence Home Purchase Scheme. It provides a $15,000 taxable grant to ADF first home buyers. This grant is on top of the $7,000 first home buyers’ scheme available to all Australians first home buyers. An added bonus for Defence force families is that all current homeowners, who are posted and decide to sell their house and buy another, have all their costs reimbursed. That is conveyancing costs, legal fees, stamp duty as well as agents fees.
Mr Acting Deputy President, as I said earlier, this is a significant and forward thinking housing policy, and I am sure it will pay dividends in the retention rates of our valued and valuable defence force personnel. Whereas previously it was said that renters had an advantage over ADF home buyers, that balance has certainly been redressed. The retention aspects of this policy will build on existing allowances and bonus schemes. In short the longer one serves, the higher the income, and the greater the borrowing the larger the subsidy. As young men and women continue their career in the forces and as they start to build their own families, the new housing scheme will grow to meet their needs. I do note however, the government has put a 5 year sunset clause on this scheme pending a review after the first four years. It would be my hope that the effectiveness of the scheme as a retention tool is closely examined, along with the broader housing policy.

I’d also like to address the administration of this new scheme. While we are not privy to the details of the tender documents, I find it extraordinary that the current specialised provider of Defence housing, DHA, has been passed over in favour of the Department of Veterans’ Affairs. You would think that DVA has little experience in housing. However it appears that the DVA tender was far superior to that submitted by DHA. So my question is why did DHA get it so wrong? Why was their tender document apparently inferior to that of DVA? What is the future for Defence Housing Australia if they are unable to tender successfully for a program that would be considered ‘core business’, against a competitor with limited or no experience in housing? Put simply, DHA is the agency that provides and maintains housing for Australia’s Defence force personnel. Yet despite their carriage of the original housing subsidy scheme DHA appears not to have the expertise to successfully compete in an open public tender for the new scheme.

It will also be interesting to see how the Department of Veterans’ Affairs responds to their new function and what the changes will mean to their role in the future. Clearly there is currently a lot of overlap in the arrangements for the provision of services to serving and ex-service personnel. But in terms of service delivery and accountabil-

ity this arrangement does question the effectiveness of Defence Housing Australia.

I support the bill, and I know that ADF personnel have been waiting keenly for this for some time. As I have said, this new housing policy, I believe will make serving personnel consider continuing their career in our forces. I am sure some may be amazed at the generosity of this package, with a question as to what the total package of ADF salary and allowances are. I have no quibble with paying what’s needed to retain people in a very competitive labour market, and this new scheme will enhance the remuneration packages available to our Defence forces.

I support the bill.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.36 pm)—I thank Senators Minchin, Bartlett and Bishop for their contributions. I acknowledge, once again, Senator Bishop’s important role in our policy development and consideration of this legislation. This legislation has been a long time coming, given the scheme it replaces has been extended twice in recent years. There is no doubt the old scheme was completely deficient; hence the willingness of the Rudd government, when in opposition, to endorse what was the previous government’s budget decision of 2007-08. We have bipartisan agreement on this legislation. We believe it important, as indeed the Rudd government believe it is important in respect of all the promises they gave, to honour our commitments. We are doing so promptly. The new scheme is an appropriately generous scheme, aimed primarily at the retention of experienced ADF personnel. It will be welcomed by those personnel and their families, and I acknowledge the contribution that Senator Minchin made to the defence families association.

There is a commitment to review after four years of operation. The government are sensitive to the fact that, as I said, promises need to be honoured. We do need to pass this legislation without further delay. The review
will facilitate consideration of other matters that have been raised in the debate and were raised in the lower house. I commend the bills to the Senate.

Question agreed to.

Bills read a second time.

**Third Reading**

Bills passed through their remaining stages without amendment or debate.

**BUSINESS**

**Rearrangement**

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.38 pm)—I move:

That government business order of the day No. 9, the Indigenous Affairs Legislation Amendment Bill 2008, be postponed to the next day of sitting.

Question agreed to.

**INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT (2008 BUDGET MEASURES) BILL 2008**

**Second Reading**

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator BERNARDI (South Australia) (1.39 pm)—The coalition supports the Indigenous Education (Targeted Assistance) Amendment (2008 Budget Measures) Bill 2008 in its entirety. It is an uncontroversial bill but it does build upon what has hitherto been a bipartisan approach to improving the education and literacy and numeracy of Indigenous students. This bill appropriates a modest amount of money to carry through for the next financial year in which literacy and numerous other programs can be built upon and it will also assist with boarding house measures which are very similar to the previous coalition government’s policy. We support this bill. It is a very important continuation of the previous coalition government’s determination for Aboriginal Australians to have a better go. Accordingly, I flag our complete support for this bill.

Senator WEBBER (Western Australia) (1.40 pm)—I seek leave to have Senator Crossin’s speech incorporated in *Hansard*.

Leave granted.

Senator CROSSIN (Northern Territory) (1.40 pm)—*The incorporated speech read as follows*—

This bill amends the Indigenous Education (Targeted Assistance) Act 2000 to provide funding that will deliver two major budget measures. The first is to provide an additional $56.4 million to expand literacy and numeracy programs and support teachers to develop individual learning plans for students. This will be of enormous benefit in improving education outcomes for Indigenous students. Improvements in literacy and numeracy skills will flow over into other subject areas, into secondary education and employment prospects.

The second measure is to provide more secondary schooling options for Indigenous students in the Northern Territory through the provision of a Commonwealth contribution of $28.9 million for the building of boarding facilities to enable remote students to access secondary school. This project will be carried out in partnership with the Indigenous Land Corporation (who will contribute a further $17 million), Indigenous communities and the Northern Territory Government. This latter proposal will clearly be to the benefit of a number of rural and remote communities in the Northern Territory enabling students to gain better access to secondary schooling.

Despite the efforts of the Territory Labor government in expanding secondary schooling into remote communities (something the previous CLP government failed to do in 27 years in power) there are still many remote students who have no secondary schooling locally, and these boarding facilities will enable them to attend secondary education in a safe environment.
Under Territory Labor, there are now several of the larger Indigenous communities with secondary education facilities. These include for example Galiwinku, Maningrida, Ngukurr, Kalkaringi and many others.

However, these are still limited in size and therefore cannot offer full secondary education range of courses or resources which would be found in the secondary schools of the major centres.

Many students do already leave home to attend existing secondary education in Darwin, Katherine or Alice Springs, but these proposed additional hostels will open up the road to full secondary options for up to another 150 students.

I would be confident these places will very quickly be taken up.

All leaders at national, state and territory levels have agreed to a national goal of halving the gap in literacy and numeracy achievements between Indigenous and non-Indigenous students within the next decade, and to halve the gap in year 12 and vocational outcomes by 2020.

The gap is common knowledge and I will not go into detail about it here. It is a gap which has long existed and failed to close under the previous government. Although outcomes for Indigenous students did improve, they did so for non-Indigenous students as well, so the gap still yawns wide.

The measures proposed in this bill are a part of the suite of programs to achieve the aim of closing this gap in education.

The $54.6 million builds on literacy programs such as the National Accelerated Literacy Program and represents yet another significant addition to the programs working for improved literacy and numeracy outcomes for Indigenous students.

The gaps in years 3, 5 and 7 reading, writing and numeracy national benchmark testing in 2006 were significant, being between 13 and 32 per cent across the subjects and age ranges. Clearly more was called for to work towards closing this gap.

The previous government answer to improving literacy and numeracy had been to cut funding for in class tuition until and unless Indigenous kids actually FAILED the year 3 benchmark test, which of course they did in great numbers. These cuts were made with no real consultation or educational evidence that such in-class tuition was not working and was a waste of resources.

This Government however will work with schools and education into other schools. We already know that there certainly are some very successful literacy programs being used in our schools and they have significant results — identifying and recording these will provide a sound base for education providers to make informed program choices based on evidence.

This measure will also provide teachers in some 6000 schools with Indigenous enrolments with extra materials to support and assist them in preparing and maintaining learning plans for individual Indigenous students. This support for teachers will include whenever possible pre and in-service training.

Individual student learning plans will identify each student’s learning needs so that clear intervention strategies can be devised and implemented on an individual basis.

Three additional boarding facilities are to be provided in the Northern Territory through the contribution of $28.9 million from the Commonwealth and a capital amount of $15 million from the Indigenous Land Corporation.

These new facilities will enable Indigenous students from more remote areas to relocate to access secondary education not otherwise available to them in their home locations.

The proportion of Indigenous students living in remote areas who complete year 12 is only about half that of their urban peers. Improved and supported access to secondary education will help to raise that.

Of the three new facilities one is planned for 2009 catering for 40 students, and the other two are planned for 2010 for a further 112 students.

Sites for these boarding facilities are being negotiated with potential communities, NTG and the ILC.

They will provide safe and supervised accommodation for young Indigenous students who, with family support, decide to relocate to gain access to secondary education.
The boarding facilities will provide appropriate support for both the students and their families.
Again the objective is to assist Indigenous students to gain access to better education and improve their outcomes and close the gap in the number of Indigenous students going through to complete secondary education.
In the Prime Ministers speech on the apology he said in part “...Our challenge for the future is now to,... embrace a new partnership between Indigenous and non Indigenous Australians... the core of this partnership is closing the gap... on life expectancy, educational achievement and employment opportunities ...”
This bill is a start, a part of moving to directly close the gap in education and with that open up better training and employment opportunities after school.
The two measures being funded under this bill are part of a total package of 37 measures in various portfolios grouped under the budget item “Closing the gap for Indigenous Australians” with total funding of $718.7 million over 5 years (source Bills Digest page 3).
One of the first of these measures was the provision of funding for 200 additional teachers to be recruited for Indigenous schools in my electorate of the Northern Territory.
I can report to the Chamber that the first group of these new teachers has been recruited and engaged in a ten week course of induction by DEET (NT) which has included topics such as cross cultural studies as well as life skills for remote areas ( like 4 wheel driving). I think my experience would say they will be the best prepared group of new teachers ever to hit the outback!
However, such preparation is very much needed. Living and teaching Indigenous kids in remote communities is so different to what anyone from “South” can really envisage. The fact that these teachers have been put through ten weeks of special preparatory training shows this difference requires special training and that the NTG is taking this program seriously too.
They will commence work in their new schools in term three while the NTG continues to recruit more, up to the 50 funded initially for this calendar year.

This to date then clearly demonstrates the determination of this Government in placing great importance on real actions beyond the Apology to assist Indigenous Australians.
Measures introduced both previously and in this bill focus on improving Indigenous education outcomes. They are making a commitment to halving the gap in literacy and numeracy, and in secondary education completion rates.
This program will help not only teachers and students but will also assist education providers in finding which literacy and numeracy programs actually demonstrate the best results with Indigenous students.
Funds will be used to establish an evidence base around successful programs to contribute to what the Minister referred to in the other place as a national menu of best practice.
These measures are all practical, positive moves and this bill should be supported.
Speaking to this piece of legislation about Indigenous Education, provides me with an opportunity to inform the Chamber of the untimely passing of one of the nation’s best known and respected Indigenous leaders and educators.
Dr Marika tragically passed away on 12th May just a few weeks short of her 50th birthday. She passed away at her home, in her home country while out hunting and fishing.
Dr Marika was a Rirratjingu woman, daughter of Roy Marika who was a pioneer of the land rights and had led his people to Canberra in 1971 to present the Yirrkala bark petitions which are still displayed in Parliament House for all to see.
Like her father, Dr Marika was a powerful force for her people, and a powerful force for reconciliation.
She was very dynamic, ever travelling the nation whether it was to Darwin, Canberra or wherever.
She was on the Board of Reconciliation Australia and a Director of the Australian Institute of Aboriginal and Torres Strait Islander Studies. She had authored or co-authored many publications about Indigenous education, many of these on bi-lingual education in which area she had first worked in the Literature Production Centre at Yirrkala School.
She was a frequent speaker at forums around the country about land rights, about Indigenous education, about reconciliation.

In 2006 she was awarded the Northern Territorian of the Year and last year was named NT Australian of the Year.

In 1984 she played a lead role in the establishment of the Yirrkala School Action Group which went on to develop the “Both ways” curriculum at that school.

“Both ways” brings together Indigenous knowledge systems with the western mainstream education ideas.

Dr Marika was one of those exceptional Indigenous people who truly lived “both ways”. Whether she was at home at Yirrkala among her family and people, or representing them at meetings in Darwin or Canberra dealing with high level government officers, she was always seemed at home. She handled the changing circumstances with ease and enthusiasm about what she was doing.

In this ability to live and work as a leader across both cultures she was an example to everyone who knew, loved and respected her.

Her knowledge of her culture was of course immense, but she also had a great western love which was that of Elvis Presley music.

Education was always a driving force behind her work—while she was continually learning herself, her main drive was for education of her people.

Dr Marika, at her recent memorial Service at Yirrkala was awarded an Honorary Doctorate of Letters by ANU in recognition of her work. Her family accepted this award.

Her death at such an early age was a sudden and sad loss to all who knew her. It was a loss to us as a nation when she had so much more she wanted to do and achieve in education, in reconciliation.

If I may use the words of Social Justice Commissioner Tom Calma in his statement of 12th May “Hers was a voice that burned and sparked and blazed. Her passing is an inestimable loss for all Australians.”

And a sad loss to all those Australians who believe, as Dr Marika did, that our two cultures can merge and blend and grow stronger just as ‘the salt water coming in from the sea meets the stream of fresh water coming down from the land’.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.40 pm)—I thank senators who made contributions to this debate and 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.

**LAW OFFICERS LEGISLATION AMENDMENT BILL 2008**

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator BRANDIS (Queensland) (1.41 pm)—The Law Officers Legislation Amendment Bill 2008 amends the Long Service Leave (Commonwealth Employees) Act 1976 and the Law Officers Act 1964 to provide holders of the office of Commonwealth Solicitor-General with an entitlement to long service leave. It is a technical bill and the opposition supports it. But I wonder if I might detain the Senate just for a moment to use this occasion to say a couple of words on behalf of the opposition in tribute to the retiring Commonwealth Solicitor-General, Mr David Bennett AC QC, and to welcome the Solicitor-General designate, Mr Stephen Gageler SC. David Bennett, whom it has been my pleasure to come to know over recent years, has held the office of Commonwealth Solicitor-General—

Senator Mason—A wonderful advocate and a great man!

Senator BRANDIS—Mr Bennett is indeed a wonderful advocate and a great man!
of exquisite erudition. He has held the office of Commonwealth Solicitor-General for some 10 years, having served two terms of service in that role. I think it is fair to say that, along with Mr DF Jackson QC, originally of the Queensland Bar, Mr Bennett was throughout that period acknowledged as one of the two great constitutional advocates appearing before the High Court in virtually all of the important constitutional cases of the past decade.

David Bennett is a graduate of the University of Sydney. He holds a doctorate from Harvard Law School and was one of that great generation of Australian lawyers of the late 1960s who abandoned the traditional course of doing their postgraduate legal studies at Oxford or Cambridge and instead went to Harvard. He was admitted to the bar in 1967. He took silk in 1979. He is a former president both of the New South Wales Bar Association and of the Australian Bar Association. He has, as I have said, served in that office with immense distinction, fittingly recognised by the award to him in the Queen’s Birthday Honours List of the Companion of the Order of Australia. The opposition wishes him well in future years.

Can I also, just very briefly, take the opportunity to welcome and congratulate upon his appointment to the office Stephen Gageler SC, whose appointment will commence from 1 September this year. I actually had the pleasure once of appearing with Mr Gageler in an electoral matter before Justice Kiefel in the case of Wheeley and the Australian Electoral Commissioner in 2005, when he was representing the Australian Electoral Commissioner and I was representing the former member for Moreton, Mr Gary Hardgrave. My professional dealings and personal dealings with Mr Gageler, although very limited, have been delightful. I note that Mr Bennett referred to Mr Gageler as his natural successor as Commonwealth Solicitor-General. His appointment to that office has the opposition’s wholehearted support and we wish him well also.

Senator McLucas (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.45 pm)—I thank Senator Brandis for his timely contribution to recognising the contribution of both gentlemen, one who is retiring and one as an incoming law officer. This is a very technical bill, so I commend it to the chamber.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

CUSTOMS TARIFF AMENDMENT (TOBACCO CONTENT) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator Brandis (Queensland) (1.46 pm)—The Customs Tariff Amendment (Tobacco Content) Bill 2008 is another bill of an essentially technical character. It will insert a definition of tobacco content into subsection (3)(l) of the customs tariff. The amendment will clarify the existing references to tobacco content found within the customs tariff confirming that the non-stick excise equivalent customs duty on tobacco and tobacco products is based on the total weight of the goods, as was intended by the legislation. This is in fact how tobacco content has been treated since 1 November 1999, when the term was introduced into the act and this bill will be retroactive to that date. The amendments were initially suggested by the customs department last year during the life of the previous government to clear up any potential for misunderstanding. The opposition supports the bill.
Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.46 pm)—For those exact reasons I commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

FARM HOUSEHOLD SUPPORT AMENDMENT (ADDITIONAL DROUGHT ASSISTANCE MEASURES) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator IAN MACDONALD (Queensland) (1.47 pm)—The Farm Household Support Amendment (Additional Drought Assistance Measures) Bill 2008 increases the maximum allowable income exception for the exceptional circumstances relief payments. It extends this support to more small business operators and allows farmers to continue to receive exceptional circumstances relief payment while absent from Australia for specific family or humanitarian purposes.

This is a bill which brings into effect changes announced to the exceptional circumstances relief payments in September 2007 by the former government. These changes were supported by the then opposition, now the government, and so we are all in wild agreement about this particular bill. The bill, interestingly, does provide for a validation of payments made between the announcement on 25 September 2007 and the date this bill actually receives royal assent. Senators know the exceptional circumstances payments provide a targeted safety net income support to farmers in regions experiencing severe and prolonged downturns in income due to rare and severe events—typically, climatic events such as the current drought. It also provides similar assistance to small business dependent upon farmers’ enterprises for 70 per cent or more of their gross business turnover. Extension of this support recognises the particularly severe and prolonged drought that has extended across much of Australia since 2008.

The bill contains a number of provisions, all of which try to mitigate in ways that are humanly possible the exceptional difficulties experienced by people on the land in drought affected areas at the current time. Whilst many Australians wrongly believe the drought has broken, there are many parts of Australia where people on the land and in communities supported by those on the land are doing it really tough. Just last week, the Mount Isa-Cloncurry area of my home state of Queensland was announced as being a drought affected area for the exceptional circumstances period. So the drought continues on.

It is difficult for words to convey some of the problems being experienced by those who have had years and years of prolonged drought. As my colleague Senator Heffernan, who is not in the parliament today, often says, the number of rural suicides in recent times bears a direct relationship to the severity and extent of the drought. The coalition supports its own bill in effect and is pleased that the current government has supported it, as I mentioned, in opposition and has brought this bill forward so that additional relief and additional provisions may be made for those who are impacted upon by this horrible drought.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (1.51 pm)—As Senator
Ian Macdonald indicated, the previous government implemented changes to the exceptional circumstances relief payment arrangements on 25 September last year. In opposition Labor supported those changes at the time. And we now honour that commitment by providing the legislative basis for these payments. Without going into the detail, I think those people who are experiencing drought will recognise the importance of continued assistance under the EC program. This bill facilitates a range of payments that will, I am sure, be very welcome to those experiencing drought. I commend the bill.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

FISHERIES LEGISLATION AMENDMENT (NEW GOVERNANCE ARRANGEMENTS FOR THE AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY AND OTHER MATTERS) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator IAN MACDONALD (Queensland) (1.52 pm)—I indicate at the start that the opposition supports this bill subject to a couple of matters that I will raise during the course of my speech. Things move slowly when complications and issues are involved. The genesis of this bill occurred when I was the Minister for Fisheries, Forestry and Conservation. Since then there have been two ministers for fisheries: Senator Abetz, who was a very good minister, and the current minister, Mr Burke, who is the sole minister in the portfolio of agriculture, fisheries and forestry. In previous governments there have been three ministers with responsibility for areas related to agriculture, fisheries and forestry, and to a degree that indicates the interest of this government in rural, regional and agricultural matters compared to that of the former government.

A number of the things provided for in this bill were in fact initiatives of the previous government, and some of them I was not in favour of. I do not mind saying that I never saw the need to change the Australian Fisheries Management Authority into a commission. I thought it was bureaucracy gone mad and process for the sake of process—but I lost that debate in opposition and, as it was put forward by the previous government and is now supported by the current opposition, I of course support the bill. But I make the point that I think that some parts of the changes were changes for the sake of process alone.

The bill makes the new CEO of AFMA, the Australian Fisheries Management Authority, responsible for foreign compliance activity, subject to direction from the minister. Making the CEO report directly to the minister, rather than to the commission, acknowledges the need for direct ministerial oversight of activities that may have foreign policy implications and that are an integrated part of Australia’s border protection operations. In my time as fisheries minister it became abundantly clear that having a government authority involved in foreign fisheries compliance was just not the right way to go about it, because many of the decisions involved issues of government policy. So that amendment is clearly supported.

The bill changes the eligibility for a position on the new commission and it establishes criteria to exclude anyone who holds, or anyone who is an executive officer or a majority shareholder in a company which holds, a Commonwealth concession permit
or licence. It was always apparent to me that there were people on the authority’s board who may have had a conflict of interest. One of these was the government adviser. In my case it was Mr Daryl Quinlivan, who is an excellent officer and was a very good board member. I often said to Mr Quinlivan, ‘It is very difficult for you to advise me as minister and at the same time have a position on the board of the authority and be subject to the requirements of board members.’ So the requirement removing the public service appointment to the new commission is one I support. The exclusion I mentioned before of a shareholder or someone who holds a concession permit is, on the face of it, appropriate; you cannot have conflicts of interest on the commission, as it will now be. However, this provision does exclude from the commission very qualified people who can make, and have made in the past, a very significant contribution to the work of fisheries management in Australia. I particularly want to single out Mr Brian Jeffriess, who has been a member of the board. He was also the CEO of the tuna boat owners’ organisation and he excused himself from any dealings relating to tuna during his time on the board. But he did, as a very experienced person in the fishing industry, bring a great expertise to that authority, which has been of very considerable benefit to the industry in Australia over many years.

I have mentioned the matter of converting from a government agency to a commission and I do not want to say anything more about that. I want to spend just a little time talking about the fisheries legislation as it strengthens the government’s ability to combat illegal, unreported and unregulated fishing and to fulfil Australia’s responsibilities under international law and agreements. This bill strengthens the hand of the Australian government, through its various agencies, to enforce not only its own fishing laws but also the fishing laws of regional fisheries management organisations throughout the world. That is something that is difficult constitutionally. As the Labor Party has worked out recently in relation to whales, it becomes very difficult. I am pleased to see this bill address those issues.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Budget

Senator BOSWELL (2.00 pm)—My question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Evans. How many parents will receive less childcare benefit from 1 July 2009 as a result of the Rudd government’s expanded definition of income? And I am not referring to the family tax benefit.

Senator CHRIS EVANS—I thank Senator Boswell for his question and our continuing discussion on these issues. I might suggest, in responding, Mr President, that I offer Senator Boswell a briefing on these matters, because I think the level of complexity and detail is hard to get on top of not only regarding the changes that are affecting the charitable sector as a result of the previous government’s 2006 budget changes but also regarding the changes that we have introduced as part of our budget this year and the confusion in the minds of the public about how the two interact.

I am able to advise the Senate that the changes that the Rudd Labor government introduced as part of the budget will focus on the salary sacrifice into superannuation issue. The changes are designed to bring that measure into line with conditions that apply to pensioners and the self-employed. This initiative will also help ensure that people cannot reduce or avoid their child support obligations.
As I have said to the Senate and to you, Senator Boswell, it is not the purpose of the social security system to provide further incentives, over and above those provided by the tax system, to make voluntary contributions to superannuation. Our view is that people ought not to be able to get more benefits, be they family tax benefits and/or childcare benefits, than they would otherwise be entitled to and that, by using the salary sacrifice into superannuation, they should not be advantaged over other citizens. In terms of the FTB, I think I told you yesterday that we anticipated about 3½ per cent of families receiving family tax benefit will be affected.

Senator Boswell—Mr President, I rise on a point of order. This is all very interesting, Senator Evans, but I asked you a specific question. There are many people who are concerned about this. They want to know what benefits they are going to lose under the childcare benefit from July 2009. I am not interested in family tax benefit A or B. I am asking you a specific question: how many parents are going to lose benefits under the childcare benefit from July 2009?

The PRESIDENT—On the point of order, Senator Boswell, I cannot direct the minister as to how he should answer the question or whether he should be as specific, and I think he is in order.

Senator CHRIS EVANS—Thank you, Mr President. I am trying to be helpful to Senator Boswell. I know he has—

Senator Ian Macdonald interjecting—

Senator CHRIS EVANS—I will not take the interjection. I am trying to be helpful and I know that Senator Boswell is interested in the issue.

Senator Ian Macdonald—You’re not being helpful. You are answering a different question.

Senator CHRIS EVANS—Senator, you are not being helpful by interrupting. You know nothing about it—as is the case with most things.

Senator Patterson—You are not being helpful.

Senator CHRIS EVANS—Mr President, I can only be helpful if I can be. If I cannot get a word in, then I cannot—

Senator Ian Macdonald—Oh, you poor little petal!

The PRESIDENT—Order, Senator Macdonald! Ignore the interjections, Senator Evans, and respond to the question.

Senator CHRIS EVANS—As I was saying, the initiative is designed to deliver savings in the FaHCSIA budget—in the families, housing, community services and Indigenous affairs area. We think it will save about $250 million over four years. The savings, I am advised, Senator Boswell, are almost entirely in the family tax benefit payments area.

I do not have details on the exact impacts in the childcare area. I am happy to take that part of your question on notice and see if I can get you better information. But I am advised that the majority of the savings and, if you like, the impacts, are in the family tax benefit area. As I said, that applies to about 3½ per cent of families who are currently receiving family tax benefit. It is a measure designed to make sure there is equal treatment of those people who are currently salary sacrificing into super and are accessing benefits that people on the same income levels would not be entitled to. I have indicated to Senator Boswell that I am happy to organise through the minister a briefing for him on the details. (Time expired)

Senator BOSWELL—Mr President, I ask a supplementary question. I certainly will take the minister up on that offer. I do point
out, Minister, that I have asked these questions twice in estimates, and on at least one occasion you were there. I again asked the question of you yesterday and the shadow minister, Mr Abbott, has also asked the question. When is the Rudd government going to come clean on how much money they are taking away from working families? You have to tell us specifically.

Senator CHRIS EVANS—Mr President, that was not the question that Senator Boswell asked me yesterday. He asked me a separate question, which I tried to assist him with. But I do point out to him that these changes come in on 1 July 2009. There is no immediate impact on families. I am happy to brief Senator Boswell and any other senators on the details. As I told him, the major impacts are on family tax benefit B. We stand by the changes because, essentially, we do not think you ought to be able to access to more social security benefits as a result of salary sacrificing into superannuation. We do not think that is equitable. We think people ought to be treated the same as pensioners and the self-employed and ought to be entitled to the benefits based on their income, not on the basis of some arrangement they have of salary sacrificing into super.

Budget

Senator HOGG (2.07 pm)—My question is to the Minister representing the Prime Minister, Senator Evans. Can the minister inform the Senate of implications on the budget if budget bills are not passed by the Senate before the start of the next financial year?

Senator CHRIS EVANS—I thank Senator Hogg for the question because it is a very important issue confronting this government and confronting the Australian people. The budget delivered by the Rudd Labor government delivers on our election commitments. It specifically delivers on the commitments we gave during the election campaign. It delivers the tax cuts we promised from 1 July. It delivers the child care support and it delivers the education support that we promised the Australian electorate. We are trying to deliver on those promises, and we are also trying to deliver on our commitment to be fiscally conservative. We seek to maintain a budget surplus of $22 billion—a budget surplus that will help to keep downward pressure on interest rates and keep downward pressure on inflation. These are very important commitments that we made. We have been frustrated in that effort by the refusal of the opposition to cooperate in allowing us to deliver that budget. In particular, the revenue measures that underpin the surplus are being denied to us—they are being denied to the government.

Quite frankly, it is economic vandalism, because if we do not get these measures by 1 July, Australian taxpayers will be $280 million out of pocket—$280 million out of pocket because of their obstructionism. It is not just because they oppose the measures. If they had a principal issue involved, if they opposed them, if they had the courage of their convictions, you could say, ‘Well, I mightn’t agree with it, but at least it’s their view.’ But no, there is no position from the opposition; their position is delay, defer—‘We can’t make a decision; we are so internally divided as a party, as a coalition, that we put off any decision.’ They have had six weeks to come to a decision and their decision is no decision. Their decision is to defer and delay. And now we understand that in order to consider a small change in a tax measure, like the luxury car tax or the condensate measure, they need 3½ months to think about it—not six weeks, that is not good enough; they need 3½ months, and in that 3½ months $280 million will be lost to Australian taxpayers. Taxpayers will be $280 million out of pocket because the opposition
cannot make a decision. They make it clear that they are not opposing these measures. They have not decided to oppose them; they have decided to defer them.

They are not only frustrating the budget bills, but they are frustrating our election commitments and they are even frustrating their election commitments—the commitment to same-sex relationships and equal treatment under superannuation, a commitment by the Labor government to deliver equal treatment to same-sex couples in terms of their superannuation. It was our election commitment. We are trying to deliver on it. Do you know who else made a commitment to it? They made a commitment to it. But not only will they not deliver on their election commitment, they will not deliver on their election commitments. They will not deliver. They need 4 1/2 months to consider whether they ought to deliver on their election commitments. That is how ridiculous that has become. Of course, they will not allow us to deliver on the election commitment to provide transparency in electoral donations. I urge the opposition to reconsider their position. I know their leader is so undermined that they cannot come to any decision in the party room which is not seen as a push against him. (Time expired)

Commonwealth Seniors Health Card

Senator COONAN (2.11 pm)—My question is to the Minister representing the Minister for Families, Community Services and Indigenous Affairs, Senator Evans. I refer to the government’s announcement that from 1 July 2009 the income test for the Commonwealth seniors health card will include income from superannuation streams with a taxed source. Will the minister confirm that in calculating eligibility for the seniors card only income from the taxable component of their pension or annuity will be included?

Senator CHRIS EVANS—I thank the senator for her question. The budget measures introduced seek to provide equal treatment of income sources for people claiming the Commonwealth seniors health card. We believe it is fairer to treat income that seniors receive in that way. Currently, income from a defined benefit scheme, such as the CSS for public servants and some state government funds, are treated as income. But income from some private retail or industry superannuation funds and from account-based pensions are no longer taxable and so are not counted as income. We do not believe that the existing income rules are an equitable measure for assessing the eligibility for the card. The adjusted taxable income test will be changed to include income from a superannuation income stream with a tax source and income that is salary sacrificed to superannuation. This income is assessed as income for the age pension but not for the seniors health card. Also, losses from financial investments—losses from rental properties—are already added back into adjusted taxable income, so this will provide some equity between investment incomes.

The reference tax year definition has been changed so that cardholders must use the most recent full financial year when being assessed. In addition, couples must use the same reference tax year. The inclusion in the adjusted taxable income test of income from people with superannuation income streams with a tax source and income salary sacrificed to superannuation best reflects the disposable income available to people claiming a Commonwealth seniors health card for this group. Their income is treated in the same way as income from other sources. This is part of the government’s attempt to make sure there is equality of access to Commonwealth benefits. We believe that people ought to be treated equally, that they ought not be able to gain access to entitlements by use of
measures that do not truly reflect their income. This is another measure which we think is desirable in terms of providing equity into the benefits system inside Australia. We think that this change in eligibility is a fair and equitable measure and will see people treated the same.

**Senator COONAN**—Mr President, I ask a supplementary question. I have listened very carefully to the minister’s answer and unfortunately he did not make clear whether it would be only income from the taxable component of a pension or annuity that would be included. Will the minister give an unequivocal guarantee to Australian seniors that the tax-free component of a superannuation stream—their own after tax hard-earned dollars—will be excluded from the income test for the seniors card?

**Senator CHRIS EVANS**—I have tried to give the senator an answer to her question. As I say, it is very much about trying to provide equity in the system. We are trying to ensure that people are treated the same. If there is any other information I can get that assists the senator, I will ask the minister responsible to provide it. But, as I said, it is a very important measure that provides equity in treatment for Australian citizens. We hope it is a measure that is supported, but, if there is any further information I can get the senator, I will certainly take it on notice and get it for her.

**Economy**

**Senator HUTCHINS** (2.16 pm)—My question is to the Minister for Superannuation and Corporate Law, Senator Sherry, representing the Minister for Finance and De-regulation. Can the minister update the Senate on any major initiatives to help secure a strong economic future for our nation by attracting international capital to Australia and establishing Australia as a major regional financial hub? Are there any mounting threats to such important measures?

**Senator SHERRY**—I thank Senator Hutchins for this important question. As part of the budget that we presented to the Australian people, the Rudd Labor government has provided a long-term vision for the Australian economy. That vision is one of productivity, wealth generation and capital investment and one based on international best practice.

One of the commitments we have given is to secure Australia’s place as a financial services hub in the Asian region. To deliver on this commitment we announced a most significant step which will improve the export capacity of Australia’s $1.4 trillion managed investment trust industry. The Rudd Labor government has listened to the business community and it has passed through the House of Representatives a provision that replaces the existing 30 per cent withholding tax with a new internationally competitive withholding tax regime. Once the measure is fully implemented, in a staged process, it will reduce withholding tax—and I emphasise ‘reduce’—from 30 per cent to 7.5 per cent. This tax cut has been widely welcomed by the business community and particularly the finance sector. Mr Jeremy Duffield, the Managing Director of Vanguard Investments, said:

This single initiative delivers a vital fillip to Australia’s credentials as a regional investment centre …

The IFSA CEO, Mr Richard Gilbert, said the decision:

… is critical to the maintenance of high levels of long-term offshore capital inflows to Australia.

But, unfortunately, like with a number of other budget measures, a new threat has emerged to this tax cut to assist the development of the investment industry in Australia. The threat has emerged in the form of the
shadow Treasurer, Mr Turnbull, the next Leader of the Opposition, the member for Wentworth. Mr Turnbull, the shadow Treasurer, without any consultation with his Senate colleagues, is going to seek to delay this measure in the Senate. Mr Turnbull, the shadow Treasurer, could not even be bothered getting up in the House of Representatives to speak on the measure. He did not say one word about this particular measure. Instead he wants to refer it off to yet another committee inquiry to examine this tax cut. Not only was this an election promise made by the Labor government; it was also a promise, a commitment, made by the now Prime Minister Kevin Rudd in his address-in-reply to the budget last year. So there has been well over a year’s notice that we were going to proceed with this tax cut to assist the funds management industry. Here we have the shadow Treasurer, Mr Turnbull, attempting to put it off to yet another Senate committee. In the House of Representatives he took no interest at all in this particular measure and now he is seeking to shove it off and delay this tax cut.

Interestingly, Mr Turnbull has a background in the financial services sector. He could have asked Senator Watson to ask a few informative questions at estimates—Senator Watson, one of the few Liberals who knows anything about this area. But Mr Turnbull said nothing about this up until today and now it is to be delayed. This is yet another example of Mr Turnbull behaving in a somewhat strange—(Time expired)

Workplace Relations

Senator FISHER (2.20 pm)—My question is of the Minister representing the Minister for Employment and Workplace Relations, Senator Wong. Minister, in our home state of South Australia two days ago, 11,000 of the state’s teachers went on strike over pay and conditions. Next week the state’s emergency doctors will resign from their jobs in the state’s hospitals. Nationally, Qantas faces rolling strikes and reduced flights due to disputes with air-traffic controllers seeking a 60 per cent pay increase and with aircraft engineers. Australia is on the brink of a blow-out in wages and a blow-out in inflation. Minister, why has the government repeatedly refused to seek empirical analysis of the impact of its workplace relations changes?

Senator Faulkner—Excuse me!

The PRESIDENT—Order! Senator Faulkner, I do not need quite so much help. Senator Fisher, you must address your question to the chair, not to the minister. I am sure the minister in her response will address the chair and not the senator. Thank you, Senator Wong.

Senator WONG—Thank you, Mr President, for the reminder of the requirement to do so. Can I emphasise first that obviously the government does recognise and believe that industrial disputes are serious. That is why in the policy we took the election, Forward with Fairness, we explicitly stated that we will have clear and tough rules in relation to industrial action. We on this side do recognise the impact that industrial action can have on families, on businesses, on communities and, of course, on the broader Australian economy.

As we said prior to the election, the legislation Labor brings forward, consistent with our Forward with Fairness policy, will ensure that industrial action will only be protected in limited circumstances: during bargaining for a collective agreement and following a mandatory secret ballot. In addition, industrial action in pursuit of pattern bargaining will be unlawful, and the regulation of secondary boycotts will stay within the Trade Practices Act. If unprotected action is taken, ready access to effective remedies will be
available to affected parties. I would make the point that the transitional legislation that Labor brought forward in the previous session of the parliament, from memory—and I stand to be corrected—did not alter the provisions of the Workplace Relations Act relating to industrial action. So the provisions that exist in federal legislation at this time are provisions that were, in fact, in place under the Howard government.

In relation to the Qantas licensed aircraft maintenance engineers issue, I am aware—and I understand so is Senator Fisher—that protected industrial action has been scheduled for 23 and 24 June. This action is being taken as part of collective agreement negotiations. The Australian government believes that, where possible, any dispute should be resolved directly between the parties and without third-party interference. I take this opportunity to reiterate the government’s position that we would encourage the parties to aim for a speedy resolution in their agreement negotiations. I emphasise again that the Labor Party prior to the election, in our policy of Forward with Fairness and the implementation plan—which were released and exhaustively discussed—made it clear that we would only protect industrial action in the limited circumstances I have outlined, and with a mandatory secret ballot before this occurs. I say again: we will have clear tough rules about industrial action.

Senator FISHER—Mr President, I ask a supplementary question. I note from the minister’s answer that the government have failed to seek economic analysis. The government have failed to seek economic analysis of their workplace relations changes because they fear the answer. My question to Senator Wong is: will the government guarantee that strikes will not increase under their flawed workplace relations changes?

Senator Bob Brown—Mr President, I rise on a point of order. For the good running of question time, I ask you to look at that question and see whether it is consistent with standing order 73. Maybe you can come back to the Senate later on with a comment on that.

The PRESIDENT—I will, Senator Brown. I listened carefully, and there was a fairly long preamble to the question, but she did get to the question. But I will check and report back to you.

Senator WONG—I would note that the rate of industrial action has consistently declined since the Keating Labor government decentralised workplace relations in the mid 1990s. I have already outlined in my answer to the primary question the government’s election commitment, which we will implement through the legislation that will come to this chamber subsequently. We have been very clear that we will ensure that there are clear and tough rules about industrial action, because we do understand very clearly the impact that industrial action can have on working families, on businesses, on communities and, more broadly, on the Australian economy.

Fuel Prices

Senator FIELDING (2.27 pm)—My question is to the Minister representing the Treasurer, Senator Sherry. I refer to the news today that Liberal MP and former Parliamentary Secretary to the Treasurer Chris Pearce now supports Family First’s policy of cutting petrol tax by 10c a litre. That is in addition to the news last month that the coalition did a U-turn and has come halfway to Family First’s policy by supporting a petrol tax cut of 5c. Would the minister confirm whether there are also closet petrol tax cut supporters in the Rudd government?

The PRESIDENT—Before calling Senator Sherry, could I remind you, Senator
Fielding, that when you are referring to a person in the other place, you should use their correct name and title.

Senator SHERRY—I am not coming out of the closet. I am aware of Mr Pearce’s call. I was not aware he was in the closet. I understand that he and a number of members of the opposition have publicly called for a doubling in the fuel tax cut from 5c to 10c. It will be interesting to see in their current muddled state whether the Liberal opposition in fact embrace this latest call from some in the opposition to double the cut in fuel tax from 5c to 10c. There are a couple of points I want to make about this. Firstly, as I am sure most are aware, global crude oil prices—

Senator Bernardi—How much is petrol today?

Senator SHERRY—I am always asked the question of how much petrol is today. I can inform the Senate that, in my home city of Devonport, unleaded is at 164.9c. I can inform the Senate that in Canberra it is at—

Senator Fielding—Mr President, I rise on a point of order. Family First get one question a week and we have got the coalition asking questions in my question. Can the minister get back to Family First’s question, please?

The PRESIDENT—Senator Fielding, you know that that is not a point of order.

Senator SHERRY—Everyone is coming out of the closet, Senator Fielding. In terms of the Canberra price, it is 169.9c. In fact, when I have been challenged to give the price—in this case, unleaded petrol in my local community—I have issued a counter-challenge to members of the opposition, who continue to demand these prices, which I do give to them. Write down your local petrol price, Senator Bernardi, on that bit of paper you are writing on now and let us see whether you know the price of unleaded petrol in your backyard.

Global crude oil prices have been rising strongly over recent years, putting pressure on domestic petrol prices and family budgets. The world benchmark, West Texas crude oil price, is now trading just over US$135 a barrel; that has more than doubled over the last two years. It is not just the last six months, Senator Minchin; it has more than doubled over the last two years. We do know that these increases have flowed on in the form of significant rises in the cost of petrol in Australia. The Labor government understands the pain that high petrol prices are inflicting on working families.

We know that increasing petrol prices are hurting Australian families. This, of course, is in addition to the burden of 12 straight interest rate rises. We do know that interest rate rises and increasing petrol prices hurt families and hit them hard. The government is taking action to deal with the impact of fuel prices on Australian families. Firstly, we need to understand the global nature of this challenge. It requires both a global and a domestic response.

Opposition senators interjecting—

The PRESIDENT—Order! There is far too much noise across the chamber. Senator Sherry deserves to be heard in silence.

Senator SHERRY—We do understand the global nature of the challenge. It does require both a global and a domestic response. At the G8 finance ministers meeting last weekend, which Mr Swan, the Treasurer, attended, he urged the G8 to take collective action to address what is a structural supply and demand imbalance in the global oil market. He joined with the G8 finance ministers in calling on oil producing nations to lift global supply. Fundamentally, price is a reflection of the supply squeeze that is being seen in the global world oil market at the present time. On the domestic front, this
government has taken a number of initiatives—(Time expired)

Senator FIELDING—Mr President, I ask a supplementary question. Families in the outer suburban and regional areas do not have good public transport alternatives and are really struggling with record petrol prices. Given the coalition missed the opportunity to cut petrol tax by seven months, would the closet supporters of petrol tax cuts in the Rudd government please step forward now? Why won’t the government give families some immediate relief from the pain of skyrocketing petrol prices?

Senator SHERRY—I cannot speak for the closet supporters, or whatever they are called in the opposition, but it will be interesting if Senator Minchin, Mr Turnbull and the short-term opposition leader adopt this new policy which is being advanced by various members of the coalition for a further cut in petrol price from five to 10c. Not content with blowing a massive hole and obstructing our various budget measures, if this further cut were to be adopted by the opposition, we would have a $30 billion reduction in the surplus. That is significantly above—(Time expired)

Workplace Relations

Senator LIGHTFOOT (2.35 pm)—My question is directed to the Minister representing the Minister for Employment and Workplace Relations, Senator Wong. I refer the minister to section 13 of Labor’s National Employment Standards and the current confusion as to whether there is any recourse for employees who believe their employer has ‘unreasonably’ refused a request for more flexible hours or an extension of their parental leave. Does the minister agree with the Minister for Small Business, Independent Contractors and the Service Economy, who said:

“That’s the end of the matter. There’s no adjudication, no legal process and no union official under the bed”—once an employer makes their decision?

Senator WONG—As we previously discussed in question time in response to questions from Senator Fisher, the government have released, consistent with our election commitment, a set of National Employment Standards. There are a range of them, but one of them is maximum weekly hours. I have said previously that the NES maximum weekly hours provides a guarantee of maximum weekly working hours for a full-time employee of 38 hours and, for other employees, such as part-time or casual employees, the lesser of 38 hours per week or their ordinary hours of work. It is the case that the employer may request or require an employee to work reasonable additional hours in a week beyond the 38 hours. The National Employment Standards—and I think we have traversed this already on previous occasions—outlines a number of matters that must be considered in determining whether additional hours are reasonable. These matters refer back to the individual circumstances of the employer, the employee and their workplace. This is instead of a rigid one-size-fits-all rule.

I want to make a point in terms of the issue of reasonableness. The current act—that is, the act that existed under the previous government—also draws on the concept of reasonableness for additional hours. But the list of matters which I have outlined and which are set out in the NES provide for greater clarity in terms of how this matter should be approached. In particular, the government has included additional factors which would be relevant, such as the employee’s level of responsibility, the usual patterns of work in the industry or whether the employee is entitled to receive overtime payments, penalty rates or other compensa-
tion for working those hours or the employee’s remuneration reflects an expectation of working hours. This is a considerable improvement on the current act and should allow for more effective management of maximum weekly hours in line with the needs of both an employer and employees.

I would make the point—and I know the opposition has tried to play a bit of politics with this, which is their wont—

*Opposition senators interjecting—*

**Senator WONG**—I make the point that, on this issue of reasonableness, it is interesting to note that there are a range of commentators who do not appear to share the concerns which those on the other side have attempted to beat up. These include an industry group—

**Senator Bernardi**—Which one?

**Senator WONG**—It was ACCI. On 17 June 2008 ACCI issued a media release in which it said:

> Industry does not share concerns expressed today by some commentators about the concept of ‘reasonableness’ in these standards. One size does not fit all, and concepts like ‘reasonableness’ are needed if rules are to be set across the economy.

So I am very pleased to be able to provide, for the opposition’s edification, an indication of ACCI’s publicly stated views on the issue of reasonableness.

**Senator LIGHTFOOT**—Mr President, I ask a supplementary question. Will the minister then confirm that an employer’s decision is final and that there will be no avenue for employees to seek an appeal or variation to that decision?

**Senator WONG**—What I can confirm is the content of the NES in relation to this issue. As I have said already, that is 38 hours for full-time employees, and for other employees it is the lesser of 30 hours per week or their ordinary hours of work in a week. As I have said, the concept of reasonableness—

*Senator Fisher interjecting—*

**Senator WONG**—Senator Fisher is welcome to interject on this. On occasion she did practice in this area, and she would know that the concept of reasonableness is not an unusual concept in industrial law.

**DISTINGUISHED VISITORS**

*The PRESIDENT*—Order! I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from the National Assembly of Zambia, led by the Deputy Speaker, the Hon. Mutale Nalumango MP. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

**Honourable senators**—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Murray-Darling River System**

**Senator KIRK** (2.40 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Can the minister please update the Senate on the most recent assessment of river health across the Murray-Darling Basin and actions underway to improve the health of our waterways?

**Senator WONG**—I thank Senator Kirk for the question—as a South Australian senator, she has a very keen interest in the health of the River Murray and in the very significant challenges that this nation and the community are presented with in terms of the Murray-Darling Basin. This government has heeded the warnings of scientists over many years about the problems in the Murray-Darling Basin. This government has, unlike those who preceded us—have taken serious steps in addressing the problems in the basin. After 11 years of neglect, the Australian government is, for the first time in the nation’s history, purchasing water from willing sellers. It is directly entering the water market to put
water back into these important rivers. We
are now pursuing $50 million in contracts for
35 billion litres of water across the Murray-
Darling Basin. That is what this government
has done.

We are investing $3.1 billion on water
purchase and a further $5.8 billion to make
irrigation more sustainable. We have brought
forward $400 million in the budget to ur-
gently address the impacts of overallocation
and climate change in the basin. We, on this
side, delivered an historic agreement at the
COAG meeting in March to secure the long-
term future of the Murray-Darling Basin.
This will ensure that a basin-wide plan will
be developed, including the first ever scien-
tifically informed cap on the amount of water
that can be extracted from the basin’s river
and groundwater systems.

The fact is that the combined impacts of
climate change, of drought, of historic over-
allocation and past government inaction are
being felt across the whole Murray-Darling
Basin. We know that farmers and communi-
ties are hurting. The two-year period to No-
vember 2007 recorded the lowest ever in-
flows to the Murray River—the inflows dur-
ing this period were 43 per cent lower than
the previous record low. Today we have the
Murray-Darling Basin Commission releasing
the Sustainable rivers audit report, which is
the first ever basin-wide assessment of river
health. It confirms the damaging impacts
climate change and overallocation are hav-
ing. Twenty-three rivers were audited, and 13
were found to be in very poor health. What is
most concerning about the CSIRO work—
which complements this sustainable rivers
audit—is that the inflows we are getting at
the moment are even lower than the worst-
case climate change scenarios that are being
modelled by the CSIRO for 2030.

This government has brought forward
$400 million, it is purchasing water and it is
going to invest in infrastructure to return
water savings. Those on the other side failed
to do anything whilst in government—they
presided over inaction and are still com-
pletely divided on the issue of purchasing
water for the river. We will recall that Dr
Stone complained about this plan, saying:

There is further worry when Mr Rudd declared
that human consumption of the Murray system
water is to take precedence over all other water
uses.

She went on to say:
Does this mean that when Adelaide squeaks, irri-
gation systems shudder?

It just shows that the opposition is com-
pletely divided when it comes to the hard
decisions about how to return water to this
river system at a time of climate change and
drought. We on this side are taking action—
the action you were never able to achieve in
government.

Renewable Energy

Senator KEMP (2.45 pm)—My question
is also to the Minister representing the Min-
ister for the Environment, Heritage and the
Arts, Senator Wong. I refer the minister to
her answer to the excellent question from
Senator Milne yesterday. Can the minister
advise how many ‘millionaires’ have been
paid the solar panel rebate?

Senator WONG—I thank Senator Kemp
for his question and note yet again that the
opposition is very supportive of Greens
questioning, which is a new development in
this chamber. It is a new development, but
things change.

Senator Faulkner—It’s just that they’ve
got no ideas of their own.

The PRESIDENT—Order!

Senator WONG—I am pleased to take
the question because it enables me to provide
a further response to Senator Milne, which I
was going to provide at the conclusion of
question time, in relation to the statistical information about the uptake of the solar power rebate. I can advise the chamber that the department publishes a range of information about the installation of solar photovoltaic power systems. These include the number of systems installed by month for residential and community buildings, the number of watts installed by month as a result of system installations and the cumulative number of installations by state. I am advised that these statistics are generally updated on a quarterly basis. The last update was done in April, for February data.

The department advises me that Senator Milne asked her question yesterday at 2.47 pm and, for the record, the installation statistics for March and April were available on the department’s website at 2.15 pm—obviously prior to the senator’s question. So I can give an indication that these statistics are available and the information that is included on the department’s website is set out in what I have provided. The statistics for March 2007 were updated in May 2008. I am not sure if that is actually correct; that might be a typo in this brief. The statistics for June 2007 were provided in August 2007. The September 2007 statistics were provided in November 2007. The December 2007 statistics were provided in February 2008. So there is obviously a system in place whereby the information in relation to the solar photovoltaic power systems is placed on the website. I am pleased that I have been able to assist the chamber with the provision of that information.

Senator KEMP—Mr President, I ask a supplementary question. I would have to say that in all my time in this chamber that was one of the worst answers I have ever received.

Honourable senators interjecting—

Senator KEMP—It was absolutely appalling.

Senator Chris Evans—Mr President, I rise on a point of order. As the senator well knows, he is not allowed to offer commentary before asking a supplementary question, and he really does underestimate his own performance terribly. He was clearly the worst.

The PRESIDENT—Order, Senator Evans!

Senator Faulkner—Everyone said you had a great sense of humour. You’ve just proved it.

The PRESIDENT—Order, Senator Faulkner!

Senator KEMP—Through you, Mr President, could I refer the minister to her answer yesterday where she used the quote that millionaires were receiving the rebate to justify the attack by the Labor government on this area. Could she please tell us how many millionaires have been paid the solar panel rebate? That is the question, Senator Wong. Could you please answer it?

Senator Faulkner—In my whole time here, that’s the worst supplementary I’ve ever heard.

The PRESIDENT—Order, Senator Faulkner! I remind you that you have been particularly disorderly today.

Senator Wong—As I indicated in the primary answer, the information that I have been advised that the department retains about this program is the number of systems installed by month for residential and community buildings, the number of watts installed by month as a result of system installations and the cumulative number of installations by state.

Government senators interjecting—

Senator O’Brien interjecting—
The PRESIDENT—Order, on my right! I do not need that sort of advice, thank you, Senator O’Brien.

Senator Kemp—Mr President, I rise on a point of order on relevance. Senator Wong, in her answer yesterday, indicated that millionaires were being paid the solar rebate. My question was: how many millionaires have received the solar rebate and could that question be answered?

The PRESIDENT—Order, Senator Kemp! As I understand it, Senator Wong has completed her answer. Senator Wong, have you completed your answer?

Senator WONG—Yes.

Refugees

Senator NETTLE (2.51 pm)—My question is to the Minister for Immigration and Citizenship, Senator Evans, and it relates to the practice of requiring refugees to pay for the cost of having been locked in detention. For people who spend three to four years in refugee camps, that means a bill of over $200,000. Does the Rudd government believe that people who are found to have a genuine case for staying in Australia should be charged for their detention?

Senator CHRIS EVANS—I thank Senator Nettle for her question. In the first instance, the detention debt regime, as applied to those who have been in immigration detention, is being reviewed by me. I received advice, maybe a couple of months ago, about this issue and it seems that the cost of administering the scheme to raise the debt either outweighs or is close to a break-even point in terms of the money brought in. It does seem to be a crazy situation to run a system to raise debt when it costs us as much to raise the debt as it does to generate income from it. I think that there is a need for a review of the detention debt regime and I have asked for further advice on that. I have to consult with the Minister for Finance and Deregulation as well, because he has a role in the raising of the debts et cetera. I understand debts are forgiven in a range of cases, but I can get the senator more detail on that. I do think that the detention debt system is in need of an overhaul and I have asked for further advice on it. I will be looking to reform the system when I have better advice.

Senator NETTLE—Mr President, I ask a supplementary question. I thank the minister for his answer. Are you able to provide any time frame in relation to a review of that matter? Are you also able to indicate whether you are looking at what I understand the Labor Party in Victoria proposed last month—which is the removal of section 209 of the Migration Act so that refugees are not required to pay that debt—rather than the system that operates now, where the department can forgive the debt but it stays on the books and subsequently could be required to be paid were a future government to change the policy and require that payment?

Senator CHRIS EVANS—I cannot go to the sort of detail that the senator is after other than to repeat that I am looking to review the system. Obviously, I take seriously any advice I receive from branches of the Labor Party, but all I can say at this stage is that I agree there is a problem. The current system does not make a lot of sense. I had to deal recently with an instance of a man who had been found to be a refugee but had been prevented from sponsoring and being reunited with his family because of the debt. I am pleased to say that we were able to sort out that individual case. But it is an issue that is in need of reform. I have, as I said, asked for further information and I will be pursuing it as a high priority to see if we cannot get a more effective system in place.

Murray-Darling River System

Senator IAN MACDONALD (2.54 pm)—My question is to the Minister for
Climate Change and Water, in her own right and also in her capacity as the Minister representing the Minister for Environment, Heritage and the Arts. I was interested in the minister’s litany of things that she is allegedly doing in the Murray-Darling. I want to ask her a question that will enable her to give a positive response now for something that can be done for the Murray-Darling. Minister, is it a fact that the Eildon Dam on the Goulburn River, which, as you know, is part of the Murray-Darling system, is only at 13 per cent capacity? Is it a fact that most of this water is reserved for environmental purposes? Given the critical state of the environment of the Murray-Darling Basin, will the minister today guarantee that the federal government will not approve the EPBC Act application that has been sought for the north-south pipeline, which will take water from the Murray-Darling system over the range to flush out Melbourne’s toilets?

Senator WONG—Let me be clear with Senator Macdonald. Although he tries to direct his question to me both in my capacity as Minister for Climate Change and Water and in my capacity as the Minister representing the Minister for the Environment, Heritage and the Arts, I believe that he is actually addressing it to me in the latter capacity because, obviously, administration—

Senator Ian Macdonald—No, it is about the Murray-Darling Basin, for which you are the minister.

Senator WONG—I would have hoped, Senator Macdonald, that you would have enough knowledge of this area to understand how these arrangements in government work. The EPBC Act is an act under which Minister Garrett has a certain statutory role and statutory discretion. I believe that the senator’s question relates to the Sugarloaf Pipeline, which, of course, was stage I of the Victorian government’s food bowl project.

The Commonwealth government, I should be very clear with the senator, is not funding any aspect of stage I of the food bowl project. But it is the case that the Sugarloaf Pipeline has been determined to be a controlled action under the Environment Protection and Biodiversity Conservation Act and it is currently being assessed.

As I have previously indicated, the minister for the environment has a statutory discretion under that legislation, and it is not appropriate for me or any other minister to impact upon that inappropriately or to have discussions other than the consultation which is contemplated under the legislation. So I am sure that the issues that are relevant to consideration of that controlled action are issues that Minister Garrett will be taking into account when making a determination under that legislation.

Can I say that it is an area where there has been some community concern, and I think Senator Macdonald’s question reflects that. It certainly is an issue that has been discussed at some length in the Victorian press. How best to deal with water availability at this time, particularly given the drought and the impact of climate change, which I discussed in answer to a question from Senator Kirk, is obviously a difficult decision for state governments.

In short, I understand that the Sugarloaf Pipeline matter has been assessed at the state level by the advisory committee, and public comment has been received. The state consideration process has been accredited under the EPBC Act, and I am advised that at this stage Minister Garrett’s department has examined the advisory committee’s report. Additional documentation has been provided by the proponent and the proponent has been requested to provide further information. Minister Garrett will make his decision on this project only when he is confident that
the proponent has provided the information necessary to enable him to make a fully informed decision that ensures that matters of national environmental significance are protected.

Senator IAN MACDONALD—Mr President, I ask a supplementary question. Minister Wong, would you confirm that you are the minister for the Murray-Darling Basin system, as you indicated in answer to a previous question? If you are, will you indicate why you will not take action to address the environmental health of the Murray-Darling Basin system? Water from the Goulburn River can be used for environmental flows in the Murray-Darling Basin system, yet it is being proposed by the Victorian Labor government to take it out of the basin, over the range, to flush Melbourne toilets. Will you guarantee, as the minister responsible, that your government will not allow this to happen and thus put even more pressure on the environment in the Murray-Darling Basin system?

The PRESIDENT—I remind you, Senator Macdonald, that you must address the chair with your question, not the minister sitting opposite.

Senator WONG—I have two points. The first is, as I clearly indicated in an attempt to assist Senator Macdonald, that from Minister Garrett’s perspective this is a matter of Commonwealth involvement that is governed by the EPBC Act—governed by an act that your government passed, Senator Macdonald. That is the first point.

The PRESIDENT—Order! Senator Wong, you will address the chair too.

Senator WONG—Through you, Mr President—second, in terms of what we are doing on the Murray-Darling Basin, I remind you that within four months we achieved a historic agreement that you were never able to achieve in government. We have purchased water; you were never able to achieve that. We got agreement with the states; you were never able to achieve that.

The PRESIDENT—Senator Wong, address the chair!

Senator WONG—You, on your side, are utterly divided about the need to purchase water to return water for the environment to those rivers, when we are delivering that.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS
Nuclear Non-Proliferation and Disarmament
Zimbabwe

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (3.01 pm)—Yesterday, Senator Bartlett asked me a question regarding nuclear non-proliferation and disarmament and Senator Sandy Macdonald asked me a question on Zimbabwe. I seek leave to incorporate two answers in Hansard.

Leave granted.

The answers read as follows—
Senator Bartlett—Nuclear Non-Proliferation and Disarmament—Answer

The Government is engaging in consultations with other countries and others about the International Commission on Non-Proliferation and Disarmament, including its precise mandate, membership, structure and program of work. The Secretariat and support requirements for the Commission will reflect those functions. An announcement on the formal establishment of the Commission will be made once these processes are completed.

The Commission will have as its objective the strengthening of the Nuclear Non-Proliferation treaty. The Commission will be independent and it would be inappropriate to prejudge its findings.
The Government’s policy is to supply uranium only to those countries that are party to the NPT and with which Australia has a bilateral safeguards agreement. This is an Australian Government policy principle that is not directed specifically at India.

Senator Bartlett—Zimbabwe—Answer

Stephen Smith, Minister for Foreign Affairs, has repeatedly stated in public Australia’s willingness to send election observers to Zimbabwe if asked. Australia has not been invited to send an election observer delegation to the Zimbabwe Presidential run-off election on 27 June.

The Mugabe regime has publicly stated that Zimbabwe would not accept observers from countries that have imposed sanctions on Zimbabwe. Australia has implemented targeted sanctions against the Government of Zimbabwe and its close supporters.

Reproductive Health Funding

Senator Faulkn er (New South Wales—Special Minister of State and Cabinet Secretary) (3.02 pm)—Earlier this week, Senator Allison asked a question of me, representing the Minister for Foreign Affairs, regarding reproductive health funding. I seek leave to incorporate supplementary information in Hansard.

Leave granted.

Senator Allison—Reproductive Health Funding—Supplementary Information

1. The details of the funding specifically for family planning services, as defined by the OECD Development Assistance Committee, were provided to Senator Allison in response to Question on Notice No. 425 approved by the Minister on 29 May 2008.

2. As outlined by Senator Faulkner in his answer, aid funding for sexual and reproductive health (including funding for HIV, reproductive health care, family planning and population policy) makes up more than 4% of aid spending.

3. The Minister is aware of the recommendations of the report by the Parliamentary Group on Population and Development.

Tasmania: Rail Infrastructure

Senator Faulkn er (New South Wales—Special Minister of State and Cabinet Secretary) (3.02 pm)—Yesterday, Senator Bushby asked me a question in relation to Tasmanian rail freight services. I seek the leave to incorporate further information in Hansard.

Leave granted.

The answer read as follows—

Senator Bushby—Tasmania: Rail Infrastructure—Further Information

The former Australian Government agreed to a rail rescue package in Tasmania during the course of 2006-07. As part of the package the Australian Government agreed to provide $78 million over a 10 year period to the Tasmanian Government.

Separately, the Tasmanian Government entered into a Memorandum of Understanding in August 2006 with Pacific National which established a number of commitments by Pacific National regarding its rail operations in Tasmania.

The key elements of the overall rescue package agreed to by the Australian Government entailed the following:

- Pacific National, which owned the Tasmanian track, passed ownership to the Tasmanian Government at no cost;
- The Tasmanian Government, as track owner, established an access regime with the ACCC. Under this access regime it is open to any company or group to run trains in Tasmania, not just Pacific National;
- Pacific National committed to providing a non-bulk rail freight service for 10 years unless certain trigger events occurred such as a fall in loads;
- The Australian Government committed to provide capital funding for upgrading the railway line at a cost of $78 million over 10 years.
- The Tasmanian Government committed to fund maintenance costs estimated at $4 million a year to ensure the line is kept in good repair; and
• Pacific National was to contribute at least $38 million, to be provided within three years, for rolling stock replacements and improvements.

The Australian Government is not a party to the MOU between the Tasmanian Government and Pacific National—our agreement is with the Tasmanian Government only who are responsible for the rail network in Tasmania.

To date the Australian Government has paid $16.871 million to the Tasmanian Government as part of the $78 million, 10 year rail rescue package. Payments commenced in 2007 with $1.582 million being provided in 2006-07. $15.289 million has been paid to date in 2007-08.

I understand this funding to date has been used to purchase rail sleepers which will be used by the Tasmanian Government as part of the upgrade of its lines.

The Government has sought confirmation from the Tasmanian Government that Pacific National has met its contractual arrangements with the Tasmanian Government.

The Australian Government is committed to increasing rail’s share of the national freight task and we have made a number of substantial commitments to rail in Tasmania.

Ultimately decisions related to services on the Tasmanian rail network are matters for the state government as track owner, and Pacific National, as the current service provider, to determine.

The Australian Government welcomes the statements made by Pacific National that it is working with the Tasmanian Government to ensure rail services continue while the sale process takes place.

The Australian Government will be having discussions with the Tasmanian Government about our current and future funding commitments and the legal and other implications of the announcement by Pacific National.

DEFENCE PROCUREMENT

Return to Order

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (3.03 pm)—by leave—I am going to table a letter, dated 16 June 2008, from the Minister for Defence, the Hon. Joel Fitzgibbon MP. Mr President, it is a letter addressed to you, as President of the Senate. It is in relation to a motion that was moved on behalf of Senator Minchin on 15 May this year, requesting that I, as Special Minister of State, table ‘the red folder brandished by the minister’—I interpolate that that is Mr Fitzgibbon—‘which he claims contains details of “problematic” defence procurement projects’. In relation to that particular matter, I table the letter.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Murray-Darling River System
Renewable Energy
Workplace Relations

Senator IAN MACDONALD (Queensland) (3.04 pm)—I move:

That the Senate take note of the answers given by the Minister for Climate Change and Water (Senator Wong) to questions without notice asked today.

Senator Wong this afternoon had an immediate opportunity to make a statement that would have immediate impact upon the state and the health of the Murray-Darling Basin system, and Senator Wong copped out yet again. It is very difficult to get any sort of an answer from Senator Wong to questions we ask in this chamber. But today she was given the opportunity of demonstrating that the Labor government could do something definitive to help the environmental health of the Murray-Darling Basin system.

There is only 13 per cent capacity in Eildon Dam at the moment—the dam on the Goulburn River, which is part of Murray-Darling Basin system. The Labor government in Victoria, because it has been completely neglectful of any alternative water supplies for Melbourne is now attempting to pinch that water from the environmental re-
serves in the Eildon Dam and to feed it into Melbourne, where it will water gardens and flush toilets of the citizens of Melbourne. They are doing that because they have been remiss in not providing sufficient other sources of water over many, many years.

This panic attack by the Victorian Labor government on these environmental reserves in the Murray-Darling Basin system should be stopped, and it can be stopped by the Commonwealth government—by Senator Wong and Mr Garrett—by refusing EPBC Act approval for the north-south pipeline, which is proposed to take water from the Murray-Darling Basin system over the range and into Melbourne. Senator Wong today had the classic opportunity to make a difference to the environmental health of the Murray-Darling Basin system, and she squibbed on it.

Senator Wong was also asked by my colleague Senator Kemp about the number of what she called ‘millionaires’ who would no longer be able to access the solar panel rebate that the Howard government had initiated. Senator Wong must know, and Mr Garrett must know, of the number of cancellations since budget night of contracts to install solar hot water panels. In Townsville on the day after the budget my office was inundated with approaches from those who install solar panels with evidence as to the number of cancellations of contracts by people who earn $100,000, $115,000 or $120,000—not millionaires, as Senator Wong called them yesterday, but ordinary average families. There was a plumber, whose partner is a schoolteacher. They would be earning a little over $100,000. They are the sort of people that wanted to do their bit for the environment by having solar panels installed. But, as a result of the Labor government’s budget and a commitment requirement that was not mentioned prior to the election, Labor have installed a means test which makes it impossible for those earning just over $100,000 to have these panels installed. I want to again make the point that people earning $102,000 are not the millionaires that Senator Wong was speaking about. She should know a millionaire when she sees one as her leader is a millionaire, so Senator Wong should be able to identify millionaires. People earning $102,000 are certainly not millionaires and should be entitled to avail themselves of the subsidy, the solar panel rebate.

On every front in the six months that Labor have been in power they have shown themselves not to be friends of the environment. In fact, they have been acting very much in reverse. They have destroyed many of the initiatives of the previous government that made a difference to the environment through the programs that we had.

Senator McEWEN (South Australia) (3.09 pm)—I would like to respond to the comments made by Senator Ian Macdonald in relation to the answers in response to questions without notice given today by the Minister for Climate Change and Water, Senator Wong, particularly as to the initiatives that the Rudd government has undertaken in respect of environmental matters, initiatives that are desperately urgent. We have taken them because we have had to, because the previous government failed to address significant issues of climate change during its 11 long years in government. Senator Macdonald referred today to a ‘classic opportunity’. Well, a few classic opportunities have gone begging over on your side, Senator Macdonald; that is for sure. You have had the classic opportunity this week to pass the Rudd government’s budget legislation and deliver to Australia’s working families the budget initiatives that we promised them prior to the election, which they are waiting for. But, instead of taking the opportunity to assist Australia’s working families, you have taken the opportunity to go on
strike in fact. We have had a lot of discussion by the coalition today about strikes. It seems to me that is what you over there have done by refusing to deal with important legislation, so jeopardising some $284 billion worth of initiatives that could have assisted Australia’s working families.

As part of our budget initiatives, we have numerous things to do with addressing the dire situation of the Murray-Darling Basin and Australia’s environmental issues in general. Senator Wong referred to one of the extraordinary things that we were able to achieve in the first four months of government: getting COAG agreement on what we were going to do about the Murray-Darling Basin. I take a particular interest in the Murray-Darling Basin because I live in Adelaide, which is towards the end of the Murray-Darling Basin, and I am well aware of the dire situation of the lakes at the mouth of the Murray. It was therefore heartening indeed to see, under Senator Wong’s leadership, the state governments and the federal government of Australia finally reach agreement on what to do about the Murray-Darling Basin. In this budget we have brought forward $384.8 million in funding to accelerate water purchases and to begin some infrastructure projects in the basin. That $384.8 million is on top of another $15.2 million that was brought forward during the 2007-08 estimates. That $400 million forms part of the Rudd government’s $12.9 billion Water for the Future package, a package that focuses on four key priorities including taking action on climate change, using water wisely, securing water supplies and supporting healthy rivers. The government has already started a $50 million buyback program and has secured entitlements to an additional 35 billion litres of water for the Murray-Darling Basin. I acknowledge that, while we have had water buybacks and the other initiatives that we have speedily implemented to try to save the Murray-Darling system, nothing can compensate for the necessity to have additional rainfall in this country.

Senator Ian Macdonald—Yes, but you’re letting water go to Melbourne.

Senator McEWEN—While opposition members sit over there and make noises about how our initiatives are inadequate and how we should have done more, I do not hear Senator Macdonald say how he is going to make it rain.

Senator Ian Macdonald—No, but I’d stop them taking water out of the Goulburn River. That is what I would do.

Senator McEWEN—Instead he carries on about pipelines in Queensland and toilets in Victoria and he criticises a senator who has been appointed the Minister for Climate Change and Water. It is the first time ever in Australia that we have had a minister whose specific responsibility is to address these issues—an initiative that would never have occurred to the previous government to implement. Why wouldn’t that have occurred to them? Because the previous government, now the coalition opposition, were infested with climate change sceptics who did nothing in 11 years to address the dire situation of water in Australia, in particular that situation in the eastern states, particularly in my state. (Time expired)

Senator EGGLESTON (Western Australia) (3.14 pm)—My goodness! Senator McEwen has just very strongly claimed that the coalition government did not recognise climate change and did not do anything about it. I wonder, Senator McEwen, whether you could explain, if that is the case, why the Howard government introduced the world’s first Greenhouse Office in 1996, at the beginning of our term. For heaven’s sake, do not peddle that old line of Penny Wong, because it does not have any credibility.
The Howard government had a wide range of environmental policies, the highlight of which was their concern for renewable energy. We had very strong incentives for people to take up renewable energy. Here in Australia our options are limited. We do not have mountains with lots of snow, so we cannot use hydro power. Wind power options around this country are not available as they are in places such as Germany and Greece. But what we do have in Australia is lots of sunshine.

One of the things the Howard government did was recognise that solar power was the most important possible source of renewable energy in Australia. Accordingly, we developed policies to encourage people to use solar power for energy supplies to their homes. As part of the Howard government’s comprehensive energy policies, we developed the photovoltaic rebate, encouraging people to put photovoltaic cells on their roofs and generate power for their homes in that way using the power of the sun. The rebate encouraged many people to take up the option of using solar power. In fact, in 2000, some $50 million was provided, facilitating the placement of about 10,000 systems on people’s roofs. It was a very successful program—so successful in fact that last year the Howard government doubled the rebate, from $4,000 to $8,000 per unit, which was given to people to encourage them to put in these units. That program was very successful and led to a great increase in the uptake of solar panels. For you in the ALP to now means test that rebate at $100,000, which you claim is a millionaire’s income, is the biggest backtrack I have ever heard from any party in the history of Federation on a policy which they said was a key policy and was absolutely inviolable. The backtrack by the ALP on this policy is not only a broken promise of the last election but a complete break in faith with the people who supported you—a total breach of the faith put in you by so many people around Australia.

The Minister for Climate Change and Water, Penny Wong, has admitted that this policy was introduced without any consultation with industry; yet is has wrecked the solar power industry. As a result of your policy, apparently, production in photovoltaic panels is diminishing at an alarming rate. Orders have dropped by 80 per cent. There has been a loss of jobs in the industry, as well as a collapse in confidence. I am completely amazed that Senator McEwen, who has been here in the Senate for, I think, at least six years—

Senator McEwen—I wish! Three years.

Senator EGGLESTON—That mitigates things a little bit, because I suppose you are not fully committed to following through on the policies of your party. But, nevertheless, for you and Senator Wong to claim that the ALP has not breached the confidence of its supporters and not to recognise the enormous contribution the Howard government made on this issue is quite incredible. (Time expired)

Senator STERLE (Western Australia) (3.19 pm)—It comes as no surprise to the government side of the chamber that, of the 28 senators, many of us had a very colourful, rewarding and distinguished career in the union movement—and none more so than you, Mr Deputy President, me and Senator McEwen. I rise to take note of answers to questions today. I absolutely welcome the opportunity to talk about industrial relations with the opposition. I find it unbelievable that senators on that side of the chamber dare come in here and preach to us about Australia’s working families, their working conditions, skills shortages and the conditions which they are employed under.

How hypocritical of the conservative side of the chamber! They come in here and they
preach to us about how worse off Australian working families will be under a Labor government. Like your good selves, Senator McEwen and Senator Wortley, I have seen the ugly side of conservative politics and the ugly side of the Howard-Costello industrial relations regime; namely—I should not mention it, Mr Deputy President, but I will—Work Choices. What a wonderful history you will have with the words Work Choices. I do not blame senators opposite getting up and slinking out of the chamber, because if I had voted for Work Choices I would slink out of the chamber. In fact, I would have slunk under my seat. Not one of them stood up and spoke against Work Choices. Like a bunch of cows they just followed their leader, all nodding in agreement: how wonderful Work Choices would be for Australian working families.

Well, ding-a-ling-a-ling! In November last year, the Australian people spoke and firmly killed off Work Choices. So how dare you come into this chamber and lecture us about what we should be doing for working families, when we introduced 10 National Employment Standards—no less than 10. I could say it is 10 because there is one for each interest rate rise under the Howard government, but 10 is just a number that rolls off the tongue quite easily. Not only did we introduce fairness and balance in the Australian workplace and industrial relations scene, but we were rewarded. We were rewarded with an absolute majority vote to tip out the Howard-Costello regime and bury unfair and unjust industrial relations legislation forever.

I have the privilege of being a member of the Senate Standing Committee on Education, Employment and Workplace Relations, and we received numerous submissions. About 129 submissions were put to the committee. We then travelled around Australia with our chair, Senator Gavin Marshall, and others to hear from employers, employees and interested community groups about what would add to a fair and balanced system, not the rubbish that we had in those last three years especially coming through this chamber. But what did come out of it was that the balance was tipped firmly in favour of rogue employers. Not good employers—and there are a lot of good employers in Australia—but rogue employers who could use those disgraceful laws to absolutely bastardise Australian working conditions and absolutely bastardise—

The DEPUTY PRESIDENT—Senator Sterle, I think you should use a word other than that, thank you.

Senator STERLE—I withdraw and I will use ‘decimate’. They could decimate not only working conditions but also fairness and competition. Before I go any further, it is a crying shame that Senator Mary Jo Fisher from South Australia is not in the chamber, because Senator Fisher asked the question about Labor’s policy and Labor’s fairness in the workplace. If I am not mistaken, Senator Fisher worked for former Minister Reith, I think it was. What was former Minister Reith’s main claim to fame? I will tell you what it was—it was shutting down Australian wharves and Australian waterside workers some 11 years ago. The workers went to go to work and they were locked out, confronted by huge, overweight, steroid-pumped security guards with balaclavas and german shepherds. That was the Howard-Costello regime. That is the main claim to fame of Minister Reith. Senator Fisher, you should be ashamed. (Time expired)

Senator BIRMINGHAM (South Australia) (3.24 pm)—If anyone is steroid fuelled today, it is clearly Senator Sterle. He is very much steroid fuelled today. I wish to draw the chamber back to answers by Senator Wong today. The government’s handling of the solar rebates program demonstrates the
total abject confusion of this government on its environmental policies and environmental record. It has its environmental objectives totally confused with social policy objectives, because that is what it has done by bringing in a means test. It has totally confused a means test that can be used for social policy outcomes with a means test that should not be applied to environmental outcomes.

The coalition recognised that the solar rebates program was all about the environment. It was about the environment first, second, third and beyond. It was about creating a surge in uptake in the use of this technology. It was about growing that industry strongly and it was about achieving real environmental outcomes. It succeeded and it excelled on all fronts, and we expanded the program accordingly and we are very proud of our track record there. But then the government’s razor gang comes stumbling on into this and decides that it is going to make sure that it limits this program and, in doing so, it applies a means test that is going to rip the guts out of the solar industry across this country. We have solar operators right across this country already saying how it has ripped the guts out of their business—that they are laying off staff, that they are losing money and that they have to close their doors.

One has to wonder where the wonderful Mr Garrett, the Minister for the Environment, Heritage and the Arts, was through all of this. Where was he during this? He got done over, done like a dinner, on solar rebates by the government’s razor gang. He could not stand up for the solar industry, and the government has failed it terribly. We come into this place and Senator Wong, representing him, dodges questions on this issue. She dodged questions today and even today has dodged yesterday’s question that she dodged yesterday, yet again. Yesterday, Senator Wong made a statement about millionaires receiving this rebate. But she refused to back up that statement today when asked very directly for evidence on that front. She refused to back it up because no doubt the evidence does not exist. This was just part of Labor’s class envy, and it was part of Labor demonstrating they have no idea about the value of this program—its environmental benefits. It is an insult to the many families earning just over $100,000. Many families with a working mum and a working dad, each earning about $50,000, are getting slugged and having the opportunity to be environmentally responsible and put solar panels on their homes taken from them. Senator Wong could not justify her own statement of yesterday here in the chamber today.

Much more disturbing, however, was the way Senator Wong handled Senator Milne’s very good question from yesterday. Yesterday, when Senator Milne very directly asked: ... can the minister tell the Senate how many applications have been received since the means test was introduced in the budget?

Senator Wong went on at length, soaking up all of the time, but not able to give one skerrick of data about the number of applications—not one skerrick. I draw your attention very closely to the word ‘applications’ here, because today Senator Wong stood in this place and referred Senator Milne to a website. She snidely referred to the fact that the data was uploaded at 2.15 pm yesterday, as though Senator Milne should have been watching the website live here in the Senate chamber so as to change her question some 10 minutes later. It was a very snide and unfair remark directed at Senator Milne by Senator Wong. But that is not the point. Senator Wong directed Senator Milne to the website, but the website does not contain application numbers. The website contains installation numbers. This is quite a different thing from that which Senator Milne asked.
about yesterday. Senator Wong has tried to misdirect Senator Milne in answering her question not just yesterday but again today. This data is available. It was given to us in Senate estimates.

In Senate estimates they could tell us in the weeks leading up to the budget and the week after the budget how many applications there were. Why can’t Senator Wong come in here, answer Senator Milne’s question and tell us how many applications there have been every week in the five weeks since the budget? It should not be that hard. If they could do it two weeks after the budget, why can they not do it five weeks after the budget? Why does Senator Wong have to try to cover under installation numbers on a website rather than give us the real answers? (Time expired)

Senator SIEWERT (Western Australia) (3.29 pm)—I rise to speak to the motion to take note of the response of the Minister for Climate Change and Water, Senator Wong, representing the Minister for the Environment, Heritage and the Arts, to a question relating to the Murray-Darling river system. Today we had yet another report released on the health of the Murray. It should come as no surprise, to those of us in particular who have been watching the Murray, that it finds that only one of 23 river valleys of the Murray that were examined had good ecosystem health. Two had moderate ecosystem health. All the rest—that is 20—had poor or very poor ecosystem health. This comes on the back of the report that was released yesterday—well, it was not released; it was leak-released. On ABC radio the CEO of the Murray-Darling Basin Commission, Wendy Craik, said that the report had not ‘not been released’; it just had not been released. That report, which had not been released but was not leaked, showed that scientists have said to the government that the Coorong has six months left. They have a six-month window of opportunity, and what is the ministerial council’s response? ‘Oh, we’ll commission some more work into that.’ That just happens to then be available in November. The window of opportunity to fix the Coorong, or to go to some measure to try to remediate the Coorong, closes in October.

The report that came out today shows yet again what a parlous state our Murray-Darling river system is in. And what is the government doing about it? Yes, it is buying some water and it is investing in fixing up infrastructure, but on a very ad hoc basis. It is like fiddling while Rome burns—‘We’ll set a new cap; we’ll put in place an authority, at some stage once we get the legislation back in, that will develop a plan for two years.’ But guess what? That plan does not come into effect until 2019. And the reason for that is that the federal government refuses to require New South Wales and Victoria to bring their water-sharing plans into line with the basin, into line with the sustainable cap. That means we will have a lovely plan, we will have planned very well, while the river is dying—because, unless we can curb water use and put into place sustainable water use in the extremely near future, we are going to be watching the river die. We will have a great plan, but we will have no water to put back into the river because we are not requiring the states to implement any changes to their plans until 2019. That means no action until 2019, aside from what the government might be able to buy back from willing sellers. It does not do anything about addressing, with a systematic and strategic approach, long-term land use in the Murray-Darling Basin. It does not address what we think is going to be sustainable, not only in trying to address a severely degraded system but also in the face of climate change.

The CSIRO reports that are gradually being released as the work is done in each catchment—excellent work, I should say—
are showing, as Senator Wong correctly pointed out, that the catchments are facing very severe consequences from the impact of climate change. We have overallocated all the systems in the Murray-Darling system and we need to be addressing that now, not leaving it for some time off in the future.

Some of the ways that we can start addressing the issues around the Coorong now are to start looking at releasing water from the Menindee Lakes, to start looking at accessing some of the water that is currently held in storage in northern New South Wales and to start talking to farmers about loaning water—which, I would suggest, could be repaid with some benefits to the farmers into the future. But one of the issues that I understand is complicating matters there is the control of the New South Wales government over water in the Menindee Lakes. They control the water under 460 gigalitres, and the Commonwealth then gets to have a say in anything above, I think, 660 gigalitres. Guess what? If the level is kept below 660 gigalitres, the Commonwealth get to have a say in anything above, I think, 660 gigalitres. Guess what? If the level is kept below 660 gigalitres, where the Commonwealth get to have a say, it is all up to New South Wales. So New South Wales can theoretically keep allocating water from that storage to maintain a level below the amount that the Commonwealth gets to have a say in. And guess what? There is no water to release to the Murray and into the Coorong lakes. If we cannot solve this issue in the Commonwealth’s brave new world of management of the Murray-Darling Basin, there is no hope. We are absolutely in a crisis situation in the Coorong, and yet the Commonwealth is still sitting on its hands and cannot, it appears, get that water from New South Wales and actually do something to save their own icon. (Time expired)

Question agreed to.

MINISTERIAL STATEMENTS
First Anniversary of the Northern Territory Intervention

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (3.35 pm)—On behalf of the Minister for Families, Community Services and Indigenous Affairs, Ms Macklin, I table a ministerial statement on the first anniversary of the Northern Territory intervention.

Senator BARTLETT (Queensland) (3.35 pm)—by leave—I move:

That the Senate take note of the document.

The DEPUTY PRESIDENT—Senator Bartlett, before you speak, I draw your attention to the Senate red today. The order is that we return to government business not later than 3.45 pm.

Senator BARTLETT—I will try and keep it quick to allow some time for other senators. On that, I note that the Northern Territory intervention was obviously one that caused a lot of attention, a lot of engagement, a lot of controversy and a lot of strong comments from a lot of people about the issue. I think in some ways it is quite unfortunate that, one year on, the Senate just gets a statement tabled and we have 10 minutes to talk about it. Whilst there is more to the intervention than being able to talk about it in this chamber, I think it is an important part of displaying ongoing engagement, commitment and recognition of the importance of the issue that we have mechanisms to assess these sorts of benchmarks. I do welcome the fact that a statement is made. In the five minutes that I will take, it is not possible to really properly address it. It does outline that there is some progress being made. It does outline an extra initiative and an extra offer to the Northern Land Council regarding an
education fund, which appears, from what is in the statement, to be quite welcome.

I also particularly welcome in the statement the government’s intention to stringently examine the facts and to make policy decisions based on evidence, anchored in what works. We have not always seen that in relation to this issue. I have repeatedly made the point in this place that you would be hard-pressed to find someone who did not support the goal of improving child welfare and reducing child abuse, including child sexual assault, in Aboriginal communities in the Northern Territory or anywhere else. There is screaming universal agreement about the goals of the intervention, but there is not agreement about the methods used for the intervention.

I will always credit former minister Mr Brough for giving this issue such great priority and putting it front and centre on the political agenda. But I will remain critical of him for the way in which he went about it and for the unnecessarily divisive and inflammatory way in which the debate was conducted. Also, some of the mechanisms put in place to implement the intervention did not maximise the chance to anchor it in what works, and some of the decisions that were made were not based on evidence. The minister himself has admitted that the whole intervention was put together extremely quickly. The Senate was then forced to push through this very complex and enormously wide-ranging legislation in the space of a week, with very little consultation with the people directly affected or with people who had been working in this area for years and calling out for the sorts of extra resources and support that was potentially being made available.

I remind the Senate of the time the intervention was first announced and the days immediately after it when the Prime Minister was asked about its cost. He said that it would probably cost some tens of millions of dollars; it would not be huge, but there could be some costs in relation to the extra police. If one takes that statement at face value, it suggests that the Prime Minister had not really thought about what the government were doing and what was actually involved if they were genuine in their commitment. We have seen hundreds of millions of dollars spent on this intervention, which is necessary to achieve what has been proposed. The extra commitments detailed in the statement in relation to housing are very welcome. The extra resources going to police are also very welcome. But a lot of other resources have been spent because the intervention has been done in such a rushed and aggressive way.

The former government almost refused to listen to any alternative views. In some cases, sadly, it pretty much slandered anybody as not caring about the children if they put forward an alternative view. I appreciate the fact that the new minister has taken a different approach and is just quietly and methodically looking at what will work on the basis of evidence. A review has now been initiated after a year of intervention. We have had some people suggest that even a review is some sort of risk to the whole intervention—as though trying to look at how it is working and making sure that it works better is some terrible act of treason to the original goals of the intervention. One criticism I have of this statement is that it still maintains what is, frankly, a fiction: that the intervention is based on the Little children are sacred report. That was perhaps its catalyst. It was the excuse, but it was certainly not based on it. I would remind the Senate that the authors of that report were not even given the opportunity to provide evidence to the Senate committee on implementing the legislation.

The statement repeats the claim about child sexual abuse occurring in all 45 com-
munities that were visited by the authors of that report. I do not dispute that there are significant levels of child sexual abuse but I do note that most of the statement does not go to the issue of child sexual abuse and how to address it, although there is a bit that concerns child protection workers. I am not saying the intervention should do that. But let us make this debate more honest. It is not about child sexual abuse predominantly. The exaggerated claims of paedophile rings were wrong. While we should not in any way seek to whitewash the existence of some very serious child sexual abuse cases, I do not think it has been in any way verified that it is of the levels that were sometimes asserted. The very fact that so few people in the year since the intervention started have been arrested or removed from communities because of allegations of child sexual abuse—no charges have been laid—I think suggests that, while there is definitely a problem there, we need to keep things reality based and not just make statements and decisions based on headlines and sudden waves of concern.

So I welcome the statement. A Senate committee will have ongoing engagement with these issues, and I am sure it will do its job well. I certainly lend my continuing support for the goals of the intervention whilst retaining the right to continue to criticise some aspects of how it is done, including what I think have been unnecessary legal changes in areas that were not related to child protection, such as the permit system and issues to do with the Racial Discrimination Act.

Senator SIEWERT (Western Australia) (3.42 pm)—by leave—I would also like to speak to the motion to take note of the ministerial statement on the Northern Territory intervention. However, this is a very serious issue, and I am disappointed that only a short amount of time has been made available to debate it.

Further to Senator Bartlett’s comments on this matter, I note that the intervention was put in place in a way that was completely contrary to what the research and evidence show us. The approach that should be taken to address serious issues of disadvantage in a community is one that looks at an overall framework and engages with the community on how best to solve these issues. This is what the NT intervention should have been about instead of using issues of child abuse, which I agree are very serious. All the thinking and evidence show us that by engaging a community in addressing areas of disadvantage we actually empower them in the decision-making process. The approach that was taken in the NT intervention was disempowering. Taking away a community’s ability to make decisions is the quickest way to disempower people. This gives them no say over their future. This is what income quarantining has done. This is what taking people’s land has done. This is what is done when you do not go into communities to discuss people’s problems. And this is what supporting some projects and not others has done.

I welcome the review. I was disappointed to see in estimates that the government at that stage was not able to tell us about the framework that will be used for evaluation. I sincerely hope that that framework has been put in place. A panel has been appointed, but it can only do its job with good terms of reference and a good evaluation framework so that we can get proper data and evidence to base future directions.

One of the key things the minister did not address in this statement is the exclusion on the exemption of the Racial Discrimination Act on the NT intervention. I beg the government to address this issue as a matter of urgency. We do not need the review outcomes to deal with that. This law is racist until it complies with the RDA. The government needs to take that on now. As I said: do
not wait for the review, please. Take it on board and fix it. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**BUSINESS**

**Rearrangement**

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (3.45 pm)—I move:

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

No. 14 Fisheries Legislation Amendment (New Governance Arrangements for the Australian Fisheries Management Authority and Other Matters) Bill 2008.

No. 2 Quarantine Amendment (National Health Security) Bill 2008.


No. 4 Social Security and Other Legislation Amendment (Employment Entry Payment) Bill 2008.

No. 5 Commonwealth Securities and Investment Legislation Amendment Bill 2008.

**Senator ELLISON** (Western Australia—Manager of Opposition Business in the Senate) (3.45 pm)—I move an amendment to the motion:

At the end of the motion, add:

No. 18 Wheat Export Marketing Bill 2008


There have been discussions between the coalition, the government and other parties in relation to this bill. I might say that the coalition has circulated its amendments in the chamber. The government is well aware of the amendments that the coalition is putting forward, as are other parties. I believe the Senate is ready to deal with these bills and it should do so, especially when one considers that we are in a committee stage, we have had the second reading and there will be an opportunity this evening, albeit at the end of the list of bills. I am saying that, when you take into account those other bills, anything that the government needs to be considered can be considered in the interim.

This is something which has been discussed over a period of time. There is nothing new in the amendments and nothing which will come as a surprise to the government. Having regard to the heavy legislative agenda that the government has for next week, it would be undesirable to leave this hanging over until next week's program. I simply do not see any reason at this stage to take these bills off the list of bills to be considered. I was under the impression we were going to keep all the bills on the list, including the wheat bills, and discussions would be ongoing between the government, the coalition and other parties if needs be. But that was not a block to these bills proceeding tonight. We believe that they should be dealt with tonight.

**Senator BARTLETT** (Queensland) (3.48 pm)—I will just ask a question by way of a small speech on the amendment to the motion. Certainly the Democrats do not have any objection to going through these bills and the wheat bills as well, if they are brought on. I really wanted to just clarify this. My understanding had been that, whatever stage we were through with the bills listed on the red, we would be going to the wheat bills after the dinner break at 7 pm. I just want to clarify that, if wheat is added, does that mean that, even if we are not through the others by 7 pm, we would start
on wheat, or do we just go through the list for as long as we have got?

Senator ELLISON (Western Australia—Manager of Opposition Business in the Senate) (3.48 pm)—by leave—I take it the question is directed to the coalition with its proposed amendment. As the motion moved by the government stands, the wheat bills would not be considered at all tonight. The government is proposing that wheat be considered at the end of the list of bills which has been circulated by the coalition. So we are saying that you deal with all the other bills first and then you deal with the wheat bills in committee. I think that answers Senator Bartlett’s question.

Senator LUDWIG (Queensland—Minister for Human Services) (3.49 pm)—I might just try to contribute to the debate a little bit. I have come in halfway through, so I might get Senator Ellison to reiterate the position he is putting. I missed it as I came to the chamber. As I understand it, he is seeking to add the wheat bills to the list. It is a little unusual for the opposition to be determining the government program. They do not seem to have understood that they are not in government anymore. In respect of the wheat bills, we are trying to facilitate the debate for the committee stage in this place. However, these matters are in a state of flux. We do think we should have sufficient time to look at the amendments to see if we can find any common ground between the relevant shadow minister and the minister responsible. That process also includes the usual processes we have as a government to ensure that, if we are going to debate or even deal with the amendments moved by the opposition, we do have adequate time to give you a clear view of what our position is, rather than you as an opposition simply opposing or amending without any regard to what the government is trying to achieve, as we saw in respect of the disallowance motion for the teen dental program.

Having said that, we think that we can foreshadow an amendment which omits the remainder of the day and substitutes from 3.45 pm till 6.30 pm. This means the wheat bills will still be listed at 7 pm. That may go some way to a solution. I wanted to be able to—and I thought we had an understanding on this—come back at some point and deal with the wheat bills by including them in the agenda if we could find a position where we could agree to have them dealt with this evening. If not, we are in the unfortunate position of still being at odds with the opposition on this. I foreshadow that amendment.

The DEPUTY PRESIDENT—Where does your foreshadowed amendment fit into the motion that you proposed?

Senator LUDWIG—It would fit in as follows: the motion on the routine of business would say, ‘I move that the routine of business from 3.45 pm till 6.30 pm shall be in the terms circulated in the chamber.’

The DEPUTY PRESIDENT—All right. Is the foreshadowed amendment clear?

Senator ELLISON (Western Australia—Manager of Opposition Business in the Senate) (3.52 pm)—For absolute clarity, I will seek advice from the Clerk that, if that is accepted, the Wheat Export Marketing Bill 2008 and the Wheat Export Marketing (Repeal and Consequential Amendments) Bill 2008 will still remain on the red for the evening.

The DEPUTY PRESIDENT—Yes, under the previous order, my understanding is that the wheat bills would then come on when the Senate resumes after the dinner break.

Senator ELLISON—On that basis, the coalition then agrees to that amendment, so we agree to leave being given for that to be
moved and I seek leave to withdraw my amendment.

Leave granted.

The DEPUTY PRESIDENT—Senator Ludwig, do you wish to move your fore-shadowed amendment?

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (3.53 pm)—I move an amendment to the motion:

Omit “for the remainder of today”, substitute “from 3.45 pm till not later than 6.30 pm today”.

Question agreed to.

Original question, as amended, agreed to.

FISHERIES LEGISLATION AMENDMENT (NEW GOVERNANCE ARRANGEMENTS FOR THE AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY AND OTHER MATTERS) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator IAN MACDONALD (Queensland) (3.54 pm)—I was just concluding, on behalf of the opposition, some remarks in relation to the Fisheries Legislation Amendment (New Governance Arrangements for the Australian Fisheries Management Authority and Other Matters) Bill 2008, which, as I have indicated, the coalition will be supporting, principally on the basis that it is legislation originated by the previous government as far back as the time that I was the relevant minister, which was many years ago. I made some reference to some of the board members of the Australian Fisheries Management Authority. In that vein, I also want to congratulate Mr Tony Rundle for his very distinguished service as chairman of the Australian Fisheries Management Authority. Mr Rundle, as many senators will recall, is a former Premier of Tasmania. In his role in AFMA he has shown real leadership and a very quick understanding of the issues involved. He has contributed very substantially to the progress being undertaken in the fishing industry at the moment.

The fishing industry is being squeezed by rising petrol prices, which the Labor Party promised prior to the election they would reduce. They have not done so, as we all know. Among the many industries hit, the fishing industry is one of the hardest hit by the continuing escalation of fuel prices. Fishing is an industry of small business people—very often mum-and-dad operations—and they are really being slammed by this government’s inability to address the issue of the high price of fuel. They are also being squeezed at the other end by competition from imports of Asian farmed fish products, which make it very difficult for them. The previous government had a program worth almost $300 million to try to get some of the fishermen out of the industry with dignity by buying out licences. The intention is that those who are left in the industry will be financially sustainable, and, with fewer people in the industry, there will be less pressure on fish stocks. That is all proceeding as I speak. I look forward to the day when we have in Australia a profitable and ecologically sustainable fishing industry.

Notwithstanding that, the SeaNet program, which was a very good interface between the environment, the ecology and the fishing industry, is threatened with cessation of funding by the Labor government. This is indeed a scandal of the first degree which should be redressed. I am not sure if the new government, just through inexperience, has not realised the importance of that organisation, but I would certainly urge the minister to have a look at that and ensure that it is funded through the environment department.
I will conclude my comments on the bill by referring to the enforcement of compliance measures adopted by international fisheries management organisations and to arrangements to implement obligations under the UN Fish Stocks Agreement. Australia participates in a number of these international fisheries management organisations, which were established to manage and conserve fish stocks and marine living resources on the high seas. Australia has agreed to implement and enforce conservation and management measures in accordance with the decisions made by these organisations. Two I will mention are the Commission for the Conservation of Antarctic Marine Living Resources, CCAMLR, which is headquartered in Hobart and which is one of the better regional fisheries management organisations, and also the Western and Central Pacific Fisheries Commission, which, as the name says, looks after tuna stocks in the western and central Pacific. Australia was very much at the forefront in a leadership role in setting up that commission, whose headquarters are in Pohnpei in Micronesia and whose inaugural and current chairman is an Australian, Mr Glenn Hurry. Since those days, Mr Hurry has been appointed as the CEO of the Australian Fisheries Management Authority. As well as doing a fabulous job previously as a senior departmental fisheries officer, Mr Hurry now continues his great contribution to the fishing industry in his work as CEO of AFMA. The contribution he made to the Western and Central Pacific Fisheries Commission is well evidenced by the fact that he was a popular and continuing choice for the position of inaugural president of that commission.

Australia has taken the lead in a number of quite notable incidents, such as those involving the South Tomi, the Viarsa, the Volga, and in the arrest of many other fishing vessels. Senators might recall the chase of the Viarsa across the Southern Ocean, with waves of 30 or 40 feet—five or six metres—and ice floes. They chased that vessel right across, almost to its home port of Montevideo, where it was arrested with the help of the British and South African authorities. Many quite high-profile events have demonstrated to the world that Australia is genuine about enforcing international law in its own waters and, where possible, on the high seas.

This bill takes further the powers given to the Australian authorities to attempt to enforce international marine conservation laws on the high seas. In the case of both CCAMLR and the WCPFC, the measure includes the boarding and inspection of vessels to verify compliance with agreed fisheries management measures. I hasten to add that this relates to fishing areas. It is a pity that the current government were not able to advance their rhetoric in relation to whaling in a manner similar to what we have been able to do in the fisheries area. We are able to take enforcement action against foreign fishing vessels contravening international fisheries management measures where such action is authorised by the country to which the vessel is flagged. Those authorisations can be given on an ad hoc basis or on the basis of a standing agreement. That, of course, happened in the case of the Taruman, which was a Cambodian flagged vessel, would you believe, which was photographed fishing in waters off Macquarie Island by a New Zealand air force plane. Several months later, that vessel was again discovered transiting Australian waters. As a result of the offence that had occurred three months prior around Heard and McDonald Islands, the Australian authorities were able to arrest the vessel and take it to Hobart. They succeeded in the quite complicated legal cases that ensued, but it did show that our laws at the time were sufficient to do that rather unusual and novel application of international law.
This bill will extend yet again the powers of the Australian authorities to maintain marine resources and enforce conservation measures on the high seas. As the new government has found out—somewhat belatedly, in relation to whaling—there is always a challenge as to how far you can go and how much Australian law can be made to apply on the high seas. We have been able to do that in this case through the United Nations Fish Stocks Agreement and other international measures. It is not easy. It takes a lot of work on the part of the department, and I congratulate the department on the work that they have done to date in extending the boundaries and pushing the envelope, so to speak. It extends the legal basis for the action that we are able to take to conserve the marine resources using conservation regulations on the high seas. With that, I again indicate that the coalition supports this legislation.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (4.04 pm) I thank senators for the consideration of the Fisheries Legislation Amendment (New Governance Arrangements for the Australian Fisheries Management Authority and Other Matters) Bill 2008. I acknowledge Senator Macdonald’s comments made in support of the legislation. In his contribution he complimented elements of the legislation aimed at better managing Australia’s response to illegal, unregulated and unreported fishing, particularly illegal foreign fishing.

Senator Macdonald pointed to provisions that aimed to minimise the opportunities for conflicts of interest on the AFMA commission. The holders of Commonwealth fishing entitlements and entitlements under the Torres Strait Fisheries Act will be ineligible to be AFMA commissioners under this legislation. The legislation implements findings of the Review of the corporate governance of statutory authorities and office holders of June 2003, conducted by Mr John Uhrig. Mr Uhrig noted that independence and objectivity are important attributes of good governance. He concluded that, while it is possible to manage perceived and real conflicts of interest, it is preferable to minimise the circumstances in which they arise. I would have thought that minimising the circumstances in which conflicts of interest may arise is an objective that all of us in this chamber would support.

Senator Macdonald indicated earlier that he failed to get the support of his own party on his views on AFMA reforms. It would appear that moves to minimise conflicts of interest is one of the areas where he is out of step not only with his party but also with community expectations. I say this because this bill implements arrangements commenced by the previous government and agreed to by Labor in opposition. The changes to the eligibility criteria for AFMA commissioners contained in this legislation minimise the possibilities for conflicts of interest while establishing a skills base for commissioners. The fishing industry will have confidence that it has a set of appropriately skilled commissioners appointed on merit to manage Australia’s valuable fisheries resource.

The Australian government is committed to ensuring the sustainable management of fisheries and marine resources into the future. This bill forms an important step in furthering this goal. Senator Macdonald made the comment that some of the elements of this piece of legislation were begun under his watch, which I understand was over some three years ago. I take the opportunity to commend Minister Burke for his prompt action in bringing this legislation to the chamber, with only six months of being in office.

As the Minister for Agriculture, Fisheries and Forestry identified in the House when
the bill was introduced, the legislation contains amendments to improve the governance of AFMA. The changes are in line with good governance practices and will improve AFMA’s resource management and accountability to government. The bill also contains measures to deter illegal foreign fishers. Strong forfeiture and offence provisions in our fisheries legislation reflect the Australian government’s commitment to protecting Australia’s important fisheries. They ensure that Australia continues to support international efforts to address illegal fishing and give a strong message to foreign fishers about the consequences of fishing illegally in our waters.

In closing, I emphasise the importance of this bill. It will equip the Australian government with a more robust compliance regime to address illegal fishing. The improved governance arrangements of AFMA will minimise opportunities for conflicts of interest to arise and will make AFMA more accountable to government for how the authority’s resources are managed. Together, these measures will help secure sustainable fisheries for future generations. I commend the bill to the chamber.

Senator IAN MACDONALD (Queensland) (4.09 pm)—by leave—In the lower house, the coalition moved two amendments to require the minister to seek recommendations for the appointment of commissioners from the fishing industry and also to require that the CEO may not be appointed as chairperson and must not otherwise hold office as a part-time commissioner of the new commission. Both of those amendments, I think, would have improved the Fisheries Legislation Amendment (New Governance Arrangements for the Australian Fisheries Management Authority and Other Matters) Bill 2008. Unfortunately, they did not receive the support of the government here. The Senate could, of course, in this fortnight have insisted on those amendments, but because there is some urgency in getting the bill adopted the coalition has agreed not to pursue those amendments.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

COMMITTEES

Economics Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop)—The President has received a letter from a party leader seeking to vary the membership of a committee.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (4.11 pm)—by leave—I move:

That Senator Stott Despoja replace Senator Murray on the Economics Committee for the committee’s inquiry into Australia’s space science and industry sector.

Question agreed to.

QUARANTINE AMENDMENT (NATIONAL HEALTH SECURITY) BILL 2008

Second Reading

Debate resumed.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (4.11 pm)—I was finishing the summing-up speech when we were last considering the Quarantine Amendment (National Health Security) Bill 2008. I am not sure whether Senator Colbeck is intending to come to the chamber, but I intend to respond to some of the questions he asked. I was explaining the intent of the bill, and I had reached the third point.
Thirdly, the amendments take the existing provisions of the Quarantine Act relating to charges for certain health measures and align them with the requirements of the IHR. Such measures include medical examinations to ascertain the health status of a traveller, vaccinations or other forms of prophylaxis, and restrictions on travel that may be necessary to prevent the spread of a disease. Charges will not be levied on travellers who are Australian citizens or who are in transit to another destination. Consistent with the IHR and existing immigration policy, charges will, however, be able to be levied on persons seeking permanent or temporary residence in Australia. The bill authorises the minister to set, by legislative instrument, fees for the provision of health measures in these cases. Such fees will be limited to the actual cost of the necessary health measures and must be published 10 days before they come into effect. The Commonwealth may also seek reimbursement from insurance companies or, in the case of crew members, from the master, owner or agent of the vessel.

Senator Colbeck, in his contribution to the second reading debate, raised the issue of the strict liability offence under section 75. The offence provision has been in the act for many years and has never been used. In reality, people requiring vaccination or prophylactic treatment are usually very willing to have it provided. The bill does not change the fundamental position of section 75 in relation to strict liability, as such measures may be required to be imposed in cases of extreme seriousness and urgency. However, just because it is a strict liability offence does not mean that a person who refuses vaccination would automatically be liable for a fine. Before anyone can be fined, they need to be convicted following a prosecution. Prosecution is at the discretion of the Director of Public Prosecutions, and anybody with a good reason for refusing vaccination, such as a medical condition, would not be prosecuted. I have to say that you have to apply a bit of common sense here. We are talking about very, very rare cases that in fact have never occurred in Australia.

Senator Colbeck also asked what extraordinary circumstances may be and what the liability would be of medical practitioners or other staff involved in treating travellers who refused vaccination. I suppose the whole point about extraordinary circumstances is that they cannot be foreseen. I recall, I think, around May of last year, when I sat on that side and others sat on this side, having a debate about the insertion of a description of emergency dealings into the Gene Technology Act. Senators asked the then minister what an example of an emergency dealing with a genetically modified organism would be. How interesting that Senator Mason and I are both in the chamber again. Senator Mason, who was standing here at the time, quite rightly said that that would be inappropriate. You could not answer, Senator Mason, because we could not predict what an emergency dealing might be. Some three months later, we had equine influenza in this country and those provisions in the Gene Technology Act were in fact used. But we could not have predicted in May of last year what an emergency dealing might have been. I basically tell that story to reinforce the point that you cannot say what an extraordinary circumstance might be, simply because you cannot foresee what it might be. Having said that, though, it is important to note that nobody has ever been forcibly vaccinated in the 100-year history of the act.

The second thing that Senator Colbeck asked about was the liability of a medical practitioner involved in treating travellers who refused vaccination. In answer, it is actually inconceivable that any medical practitioner would take part in forcible vaccination. It is essentially against the code of eth-
ics of doctors to provide treatment without consent. That is by way of answer to Senator Colbeck’s question.

Senator Bartlett sought assurance that any future ministerial discretion to impose or refund charges levied for prescribed health measures would be applied fairly—and that was a reasonable question. The power for the minister to remit fees under current subsections 86E(2AA), (2AB) and (2D) is proposed to be replaced with a similar power to remit fees and a new power to refund fees if the minister is satisfied there are exceptional circumstances justifying doing so. The purpose of the proposed amendment is to ensure fees will be able to be repaid to a person where it is deemed unreasonable for the Commonwealth to have charged a fee for quarantine measures. I would also note that the proposed amendments are limited to implementing the IHR and are not intended to address other operational aspects of the Quarantine Act.

Senator Bartlett also raised the application of the IHR to Taiwan. IHRs do not apply to entities other than state parties that are members of the WHO. However, the WHO is implementing a memorandum of understanding with China under which arrangements will be made for the participation of Taiwanese medical and public health experts in technical activities in relation to the IHR. The arrangements also provide for WHO staff or other experts to visit Taiwan to investigate the public health or epidemiological situation and to provide public health technical assistance to Taiwan. Australia supports this initiative to ensure that Taiwan is part of the global security framework established by the IHR.

I thank senators for their contribution. I stress the importance of this bill in ensuring that we fully implement our international treaty obligations and address the national imperative to actively improve our capacity to respond to public health risks.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

HIGHER EDUCATION SUPPORT AMENDMENT (2008 BUDGET MEASURES) BILL 2008

Second Reading

 Debate resumed from 16 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator MASON (Queensland) (4.19 pm)—The opposition will not be opposing the Higher Education Support Amendment (2008 Budget Measures) Bill 2008, because the government made it quite clear before the election last November that it would be implementing these arrangements. However, I would make four points with respect to this legislation. First of all, the policy reflected in this bill assumes that more university students will take up maths and science with the reduction in HECS that has been announced. The assumption, of course, is that students base their course choices on cost—or at least principally do that. I am not yet convinced that that is the case. I think there are all sorts of reasons that students take up particular courses, and I am not sure that the cost of the course is in fact the prime inhibitor or, indeed, the prime motivator. This has happened before in the context of nursing and education. I suppose over the next few years the government, as it should, will be looking at the effect a reduction in the HECS costs has on the retention of students at university and how many students choose to take up these courses. It will be interesting to monitor over the next few years whether, with a reduction...
in HECS, more students take up the offers. Let us wait and see.

Secondly, the issue underlying much of this legislation, and this bill in particular, is about teacher shortages. This is a serious issue that I know the federal government is looking at in a serious way—perhaps more seriously than some of the state Labor governments. I would make two points about that. I think it is worth remarking on the fact that the teaching profession, to my mind, is too industrial rather than sufficiently professional—that being dominated by the union movement has not necessarily helped the profession of teaching. In the same way that lawyers, accountants and engineers having professional bodies to organise their professional arrangements has meant that those professions have higher status, perhaps in the future, as I know the federal government is concerned about this issue—

Senator O’Brien—Yes.

Senator MASON—I accept that, although I am not convinced that some of the state Labor governments are as concerned. If the industrial status of teachers perhaps played second place to their professional status, that would be a very, very good thing.

Senator McLucas—That is highly offensive. As a former teacher, that is highly offensive.

Senator MASON—I think that is very appropriate, Senator McLucas, because, as you know, education is very important. You know I know that. We both understand that. I am very concerned that, over the next generation, it will become a far more sought-after profession that many more people will go into—high achievers—and that will mean that we perhaps have to pay teachers more, but it will also mean that the profession has to start looking after itself and not rely totally on the trade union movement. That has not helped the teaching profession, sadly.

Also, if we are talking about outcomes here, students benefit when teachers know how to teach. One of the great problems with the teaching profession and their education—this goes back to the education of teachers—is that they are taught how to critique pedagogy, critique the most recent educational theories, but they are not taught to deliver a syllabus. In other words, teachers must—

Senator McLucas—Brett, this is absolute rubbish.

Senator MASON—Senator McLucas says that this is rubbish, and yet there is a crisis in teaching in this nation. Everyone says that except for you, Senator. There is a crisis in public school teaching in this nation and it is time that the federal government recognise that. One part of the problem is the trade union movement and the other part is that teachers do not know how to teach. That is the problem. It is time that the federal government woke up to it.

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop)—Order! Senator Mason, it would be useful if you ignored interjections and addressed your comments to the chair.

Senator MASON—I am happy to take interjections on the subject of education. As the Senate knows, I take education very, very seriously, and to say that there is no problem in public education is an absolutely disgraceful thing to say in this chamber. There is a crisis, and every single public school teacher that I know says so. Those young teachers say to me that they walk into the classroom and do not even know how to teach. It is time that university educators taught teachers how to teach—less critiquing of the most recent French pedagogy and more about how to teach a syllabus in Australian primary and high schools. That is what is at stake, and it is a great pity that a former teacher does not quite get that.
The third issue that I want to raise this afternoon is the abolition of domestic undergraduate full-fee-paying students. There is a whiff of class envy here. I concede that before the election the government did say that they would abolish domestic undergraduate full-fee-paying places. That is true, and that is why we are not opposing the bill. I accept that. But there is a whiff of class envy about this policy. Why is it that overseas students can come to this country, go to a public university and pay to do these courses? They can pay, whereas our students cannot. And why is it that Australian domestic students can go to a private university and then they can pay to do these courses? Well, of course, they can. The problem with the Labor Party is that they believe that people who choose to use their own money to pay for their education must somehow be rich. That is the old class envy thing—that people who choose to spend money on education, whether it is primary, secondary or tertiary, are somehow rich. That is wrong. That is a whiff of class envy, the old cloth cap, and it is not on. Still, they did announce this before the last election. I acknowledge that and for that reason the coalition does not oppose the bill. It opposes the policy but not the bill.

The fourth point that I want to raise is compensation for the abolition of domestic undergraduate full-fee-paying places. The government is providing 11,000 new HECS places to compensate universities for the loss of domestic undergraduate full-fee-paying students. The question is: will universities be adequately compensated? That is the question.

Senator Trood—No; they will not be.

Senator MASON—They may not be. Senator Trood says that they will not be, and he may well be right. The precise question should be: will universities be adequately compensated in the proportion to which they currently enjoy domestic undergraduate full-fee-paying students? That is the question. The universities have been a bit equivocal on this. They argue that they might be, yet their arguments are perhaps tempered by a certain fear of government response, so their view has been rather equivocal. But what we do know from Senate estimates is that domestic undergraduate full-fee-paying students were a source of growing revenue to universities. That is the point; they were a source of growing revenue. There were more and more domestic undergraduate full-fee-paying students. This was a source of growing revenue, and the 11,000 new HECS places that have been promised by the government are ongoing, but they are frozen in that number. That is the problem. So, in a sense, a growth of revenue will now be terminated. Universities will miss out, but I say again: the government did make clear this policy before the last election. So, while we oppose the policy, we do not oppose the bill.

I am a bit disappointed with Senator McLucas’s interjections. There are many things we can disagree about in this chamber, but I know that Senator McLucas and Senator Carr, the minister principally responsible for education in the Senate, care a lot about education. Let us not kid ourselves. Public education in this country is at crisis point. We cannot attract and retain sufficient teachers in our public schools and we must do everything we can to retain them. The profession must be professionalised, not industrialised. We must seek to retain our young teachers and bring mature-age teachers into the profession. Only if we continue to promote the profession of teaching, get away from the idea of critiquing the most recent education theories and start talking about delivering serious syllabus to our children will the teaching profession again be respected as it rightly should be.
Senator STOTT DESPOJA (South Australia) (4.30 pm)—I might start on the point at which the Senator Mason left off—‘Public education ... is at crisis point.’

Senator Sherry—Yes, I picked that up.

Senator STOTT DESPOJA—And through you, Mr Acting Deputy President, Senator Sherry may have fun with this one as well.

Senator Mason—State Labor governments have failed. It’s a state government responsibility.

Senator STOTT DESPOJA—Successive governments have failed. Labor governments, the last federal government, as well as state governments, have failed to adequately invest in public education. Because the matter at hand today is higher education, I will turn to the bill before us. I thought this was going to be my last opportunity to speak on higher education legislation in this place. A debate on such a topic would not be complete without the Democrats reminding everyone of our core belief that education at all levels should be publicly funded and accessible to all. It should be about your brains and not about your bank balance. But I see from the bills list which has just made its way around this place that I will have another opportunity. Next week we have another higher education bill before us dealing with some of the industrial relations measures that were promoted, I might say in quite a retrograde fashion, by the last government.

The bill before us, the Higher Education Support Amendment (2008 Budget Measures) Bill 2008, is one that the Australian Democrats will be supporting—not without qualification, of course. It implements a number of commitments made by the Labor Party before they came to office during the election campaign in 2007, including additional Commonwealth places in education and nursing, a good thing—tick; HECS-HELP; fee reductions for maths and science units, again another good thing and something the former government could perhaps have taken notice of many years ago; and the expansion of Commonwealth scholarships, another good thing. The big ticket item or the one that seems to be most contentious is the phasing out of full-fee degrees for domestic undergraduates. We are pleased to support in particular that last measure. As members of this chamber would know, we have long campaigned for a reinvestment by governments in our higher education system. A reduction in the contribution amounts for maths, stats and science is welcome on the face of it. These disciplines, we know, are fundamental to our ability to be innovative and to add value to our knowledge based economy, yet there are some pretty dire stories coming out of industry and academic sectors about the shortage of mathematicians and scientists in this country. A broad and complex approach needs to be adopted.

Obviously anything that reduces the barriers such as financial disincentives is a good thing and is one we support, but there are many other things we need to do. I have heard of major companies, such as BHP Billiton, having to import their mathematical talent from overseas. What does that say about our so-called clever country or education revolution, or whatever rhetoric we care to use in these debates, when we are importing from overseas the skilled professionals we should be able to produce in our own country?

The Democrats believe it is commendable that the government is attempting to address these particular skills shortages. I also wonder to what extent the reduction in a fee will address some of these issues. It is an important incentive to provide but a lot more needs to be done. It is always difficult to pinpoint why a student picks the course they do. Whether it is based on course cost or what a
student has in mind to do as a career, all of these issues play a role in whether or not we get adequate numbers. In maths and science there is an issue to do with branding. Maths does not always immediately identify with a non-academic career path and science often conjures up images of lab work. Neither of these stereotypes do justice to the wealth of opportunities available to those who study maths and science. A fee reduction may help where a student is indecisive or is wavering between the choice of one course over another, but clearly the government needs to do more if they are serious about ensuring and encouraging increased participation in maths and science, and stats as well. We need high-quality teaching right throughout the school years and university. We also need to show the students who are at the cusp of tertiary education the variety of opportunities available to maths and science graduates so as to make those degrees as attractive as others whose career paths are more readily apparent, such as engineering. On that note, I might make a shameless plug of the Senate’s inquiry into space.

Senator O’Brien—Looking into space!

Senator STOTT DESPOJA—Into space.

Space is big, as Douglas Adams would say. Why is it that space has this giggle factor? I do not get it. Space, as in space up there—indeed, I am not sure whether my colleagues are aware of this inquiry. It is an incredibly important one looking at big issues of nationhood and national interest but also talks about the very real career opportunities available for people studying maths or science. I think many of the submissions that came to that inquiry rightly identified the need to think big. Inspirational science is needed to capture the imaginations of prospective students.

So while the Democrats support the fee reductions in this bill as something of an incentive in some respects, clearly the government cannot rest on its laurels. It has to do more to address these critical skills shortages in our community. The expansion of Commonwealth scholarships that is given effect by the legislation before us, if implemented properly, will give students from lower socioeconomic and rural and regional backgrounds the opportunity to attend university. This is desperately needed, of course. The participation rates from students from lower socioeconomic backgrounds fell from 15.1 to 14.6 per cent between 2001 and 2006. So if we think about that in some of the key areas by which we measure disadvantage and the participation of those groups that are traditionally disadvantaged or underrepresented in the higher education sector and we use those usual cohorts to look at lower socioeconomic groups, they are not improving their participation rate based on those figures between 2001 and 2006. Essentially, what we are saying is: we are still locking out poor kids from universities—that is the gist of it. And anything this or any other government can do to rectify that is welcome. I might suggest that fees and charges are still a financial disincentive and constitute a barrier for those students, be they young or old, from those particular backgrounds.

Over that same period, the participation rates of students from rural and regional areas also fell from 19 to 18 per cent, so we are going backwards. I would be curious to see what the National Party says about this, because this is a travesty. How can we have an education system that is considered accessible and, to a degree, publicly funded—but we all know what has happened with funding not just over the period of the last government—that is equitable and open when we know that people from those particular backgrounds are still not improving their participation rates? I think it is appalling and I hope
that in the life of this government we will see a marked improvement. I will watch with interest, but I think one measure of a society is how available and accessible its education systems are to its citizens, and that is particularly true when it comes to higher education. Those of rural low SES comprise 10.6 per cent of the population, yet only 5.9 per cent occupy higher education places. This is an indictment; it is certainly not indicative of an accessible or equitable education system.

This legislation will ultimately double the number of undergraduate scholarships from 44,000 to 88,000 and does the same for Australian postgraduate awards to almost 10,000. That is due to take place by 2012. More than 230,000 domestic students commenced study in the first half of last year, so an increase in the number of scholarships of this magnitude will, as a very crude calculation, potentially make a scholarship available to around one in three students. We welcome this move also but again we have to sound some cautionary notes. Doubling the number of scholarships sounds good for the headlines, but there are concerns in the sector about the adequacy of the scholarship as a means of income support.

For one, Commonwealth scholarships are a maximum of four years length, which is not enough to cover some combined degrees or the length of certain degrees such as medicine. If an applicant is successful, the scholarship scheme should be flexible enough to cover the entire full-time length of their chosen course of study. The adequacy of the rate of payment under these awards is also open to question. Using Australian postgraduate awards as an example, there is a yawning gap between the stipend rate for these APAs and average weekly earnings, and that gap unfortunately continues to get bigger. The Council of Australian Postgraduate Associations estimates that the stipend rate will fall below the Henderson poverty line by the end of this year. Again, if we believe investing in the best and the brightest, particularly at the postgraduate scholarship level, then we should be doing it properly, not letting people fall below the Henderson poverty line.

There is a private senator’s bill before this place—I tabled it a while ago—to, among other things, abolish the distinction between full-time and part-time scholarships and to make all scholarships which satisfy the criteria in the existing provisions tax free. I almost thought for a while, particularly when then Minister Brendan Nelson was responsible for the education portfolio, we had a chance of cracking that one. I thought that, because it is not a particularly costly bill and it seemed a fair and appropriate thing to do, we might lose that distinction and, in particular, see part-time scholarships tax free. I urge the government to consider taking on, if not that private senator’s bill, that particular measure, that initiative. It is rather penny-pinching, don’t you think, to tax part-time scholarships—quite extraordinary. As one way of making scholarships more attractive, the government could do worse than include this bill in their legislative agenda.

On top of those concerns, the Democrats are continually worried about the apparent tightening of access to student income support, particularly in recent times. Since 2002, the proportion of full-time students receiving income support has fallen—it has gone from 35 to 27 per cent. Again, going back to the issue of urging and encouraging participation from those traditionally disadvantaged groups in higher education, we know one key factor makes a difference. Even if people are debating whether or not fees and charges are a financial or a psychological disincentive to enter into or participate in higher education, we know one thing helps for sure—the research is clear—and that is income support. Under successive governments, the
availability of income support and the amount available to individual students and families has been woeful. It is getting worse if you look at it proportionally. Again, it is something I would urge the government to do something about.

As you may know, the Democrat initiated Senate inquiry into student income support—the first Senate inquiry to examine solely the issue of income support for students—made a number of recommendations that would ensure that students had better access to income support. It would mean that they would be more able to participate in higher ed or continue their studies, and it would open up education at that level for many families who previously have not been able to participate for financial and other reasons. Clearly, it is not in the interests of students, nor in the interests of our nation—given that we are so dependent on the skills that they acquire—for students or aspiring students to be distracted by poverty or excessive work hours.

I mentioned that perhaps one of the more contentious aspects of this bill was the abolition of full-fee places for domestic undergraduates. But this is certainly not contentious for the Democrats. This reform is long overdue, it is one that we wholeheartedly support and I congratulate the government for doing it—and doing it with alacrity. I actually thought I might wait a little longer to see that measure introduced in legislation and, hopefully, pass successfully. However, I recognise that for university institutions this is not so simple. I understand that they are worried about the shortfall in funding, and that they are worried about the consequences of this measure in terms of the money that they have in order to provide quality education for their students. But having said that, full upfront fees for domestic undergraduates have no place in a public university system in our nation—and I welcome the opportunity to vote on legislation that finally abolishes that.

As you would know, the Democrats have campaigned against full upfront fees, particularly at an undergraduate level. But if you go back into the dim, dark Democrats past, we have also campaigned against full upfront fees at a postgraduate level. Forgive me—it is that nostalgic, 11-days-to-go feeling that has probably taken over a little here, remembering the Democrat’s very good record on fighting for publicly funded and accessible education. I am reminded that we not only opposed the introduction of those full-cost fees at undergraduate level, but also at the postgraduate level.

The government does, however, need to be very careful to ensure that the compensation it provides under this legislation is adequate to compensate universities for the loss in full-fee places. As I say, universities and their administrations are very concerned about that. I have heard that the sector is disappointed by the amount of compensation that has been made available. Indeed, it has been suggested that it is roughly half the amount that was sought by those institutions, and I would be curious to hear the duty minister’s response to those particular complaints.

Some universities were charging more than $200,000—one of the highest fee-charging arrangements that I have heard—for a full-fee degree. This, of course, comfortably exceeds what they would receive through a Commonwealth funded place. The government might be saying: ‘That’s tough; universities will have to deal with it. It was their choice to charge those fees in the first place.’ But I acknowledge we need to be careful, and we need to be careful for a couple of reasons. Firstly, these full-fee places were attractive to some universities as a result of the dearth of public funding. Because
of the lack of investment in higher education over the years by governments, universities had become quite dependent on that flexibility in relation to full-fee charging arrangements. Failing to deal appropriately with the abolition of full-fee places will merely entrench the financial difficulties of the past dozen years or so.

Secondly, there is potential for unintended consequences. Universities could refuse the additional Commonwealth places and instead focus on recruiting more international students as a way of compensating for the money that will be lost. It is a complex issue; I acknowledge that. We do not want universities to be worse off from this move, nor do we want to implicitly disadvantage those universities which did not offer full-fee degrees for domestic students in the first place. I ask the government to ensure, one way or another, that universities do not miss full-fee places.

Broadly, at least, this legislation therefore heads in the right direction. When combined with the $11 billion Education Investment Fund and the $500 million one-off renewal fund announced in the recent budget, the government is beginning—just beginning—to make the kind of reinvestment in education that the sector needs, while also starting to reduce the fee burden that students have to deal with.

Those of us who have been passionate about, and still believe in, the potential for higher education to allow people to achieve their goals, regardless of background, and who believe that higher education should be seen as a national investment—not an expense—are waiting to see what comes next. I must admit I am a little sceptical about some of the reviews that the government has called for. I hope that they are not merely a delaying tactic, although at this stage I am prepared to give the government the benefit of the doubt. I think, though, if they take much longer to announce the results of the VSU review, I might start to change my mind. There are some very clear issues on the table for this government, especially a government that purports to believe in a so-called education revolution. The government needs to give us less rhetoric and more detail as to what this actually constitutes.

Senator Bernardi—Hear, hear!

Senator STOTT DESPOJA—Thank you, Senator Bernardi. (Time expired)


Leave granted.

Senator CROSSIN (Northern Territory) (4.50 pm)—The incorporated speech read as follows—

Higher Education Support Amendment (2008 Budget Measures) Bill 2008

This bill amends the Higher Education Support Act 2003 (HESA) to revise maximum funding amounts in the Commonwealth Grants Scheme; Commonwealth Scholarships and other grants to reflect additional funding for indexation increases.

This bill makes important amendments to HESA to address urgent national priorities in higher education.

This bill implements budget initiatives such as the abolition of full fees and a growth in the number of scholarships offered. Such measures will clearly help families who are doing it hard to get their kids a tertiary education, especially those in rural or remote areas such as where many of my constituents live.

From January 2009 universities will not be able to enrol a new domestic undergraduate student on a full-fee-paying basis except in circumstances where the act prohibits their enrolment as a Commonwealth supported student, or they accepted a fee paying place this year but deferred
study until next, or are a former overseas student who has become a domestic student.

Furthermore this bill reduces the amount of HECS-HELP repayments for graduates working in early childhood education in rural and regional Australia, especially in Indigenous early childhood.

This will be done through use of the postcodes where there is an Indigenous population of 20% or more, teachers in early childhood positions will qualify for reduced repayments of fees due.

There will be more Commonwealth supported places in early childhood education and nursing.

Furthermore this bill increases capital funding for infrastructure projects at James Cook University for the establishment of a Dental School and at Notre Dame University for more Commonwealth places in medicine and nursing. Both of these steps will increase the available places in skill shortage subject areas.

There will be a reduction in the maximum annual student contribution amount for subjects such as maths and science subjects for new students starting these subjects in 2009.

The maximum annual contribution for students in maths and science will be reduced from $7412 a year to the lowest national priority rate of $4162 from 2009.

Commencing maths and science students will pay the same rate as those in education and nursing. All of these being skill areas of great need nationally, and these changes will encourage more people to move into these studies.

So this bill helps families to get their kids a better education by offering more scholarships. It encourages more students to study in nationally important areas such as nursing, childcare, maths and sciences. This will help to reduce the shortages in those skill areas.

At the same time as reducing costs for students, there will be a Transitional Loading under the Commonwealth Grants Scheme to fully compensate Higher Education providers for reduced revenue resulting from reduced student contributions for maths and science units, and for replacing full fee places with Commonwealth supported places.

So both the students and providers benefit from proposals in this bill. No body or institution will be disadvantaged in any way. Students have more chance of a scholarship and higher education bodies are compensated for any loss of revenue through removal or reduction of fees.

Universities will have 11,000 new Commonwealth supported places by 2011 and potential students will be able to compete for these places on ability—not as under the previous government on what they could afford to pay.

In total the number of Commonwealth supported scholarships will be increased from 44000 to 88000 by 2012. That is a doubling of Commonwealth supported places within the next 4 years.

It is recognised that revenue from overseas students paying full fees is important for the higher education providers and full-fee-paying places will continue to be available to them.

Australia is recognised internationally as a high quality provider of higher education, and many overseas students come here by choice. This has benefits again both for these students and for us as a nation. Nothing will be done that might reduce overseas demand for fee paying places in our higher education institutions.

These overseas students are however very much an addition to our higher education system and our own domestic students get top priority and overseas students can be treated differently but fairly in matters of entry requirements and fee payments.

So this bill implements budget measures which are an integral part of our election commitments.

It implements immediate action to address priorities in areas of skill shortages such as maths and science, early childhood education and nursing.

It helps to restore some degree of equity and access to higher education for our domestic students while at the same time in no way disadvantaging overseas full-fee-paying students or the higher education providers.

The measures in this bill are of course in addition to our commitment to the $11 billion Education Investment Fund and the $500 million Better Universities funding which will provide further
great support for our higher education sector over the years.

Together with addressing these immediate priorities in this bill the government will take reforms further through the Review of Australian Higher Education being led by Professor Denise Bradley. This bill therefore represents a start to reversing the situation of the past 11 years under the previous government where higher education funding was annually being reduced in real terms and conditions being made more and more prescriptive.

Whereas many OECD countries increased higher education spending by up to 48% over the past decade, we in Australia saw funding decline by 4%. This was done knowingly and deliberately by the previous government despite the ever increasing evidence of the growing skills shortage that now threatens our economy as a legacy from that previous government.

They did not look to the future but instead chose to ignore all warning signs of upcoming problems and follow a slash and burn policy and reduce federal funding to higher education.

The previous government not only reduced funding in real terms but also pursued ideological policies that were more and more throttling academic freedom and higher education autonomy with government regulation and a "one size fits all" policy.

This government will change all that and enable our universities to offer quality higher education to all, while at the same time following full and proper governance procedures appropriate to each institute.

Our Education Revolution will see higher education given far higher priority with more autonomy to universities to run themselves. They will have the opportunity to once again reduce class sizes and spend more time on teaching rather than on administration.

We believe in education opportunity for all and this bill moves back towards increased equity of access by abolishing full fees; increasing the number of Commonwealth scholarships; providing incentives to study and work in key areas such as maths and science, nursing and early childhood education; and funding infrastructure projects at James Cook and Notre Dame universities.

While this is only one bill forming a part of the Rudd Government ongoing Education Revolution it is important. It will improve higher education access and equity for domestic students without in any way disadvantaging overseas students who as full fee payers are an important part of our higher education picture.

It will do so in a way which ensures universities are not penalised by any loss of full-fee-paying student revenue.

It will do so in a way with emphasis on higher education in areas of high national need such as maths, science, nursing, early childhood education.

I commend this bill to the chamber.

Senator Trood (Queensland) (4.50 pm)—It is always a great pleasure to participate in a lively debate on an issue that is as important to this place as education is. I would like to contribute to the debate and hope to make a constructive contribution to the concerns that are before the Senate this afternoon. The Higher Education Support Amendment (2008 Budget Measures) Bill 2008 comes before us in the context of a national conversation that took place last year around the time of the election, when the Labor Party spent a great deal of its time telling us about the need for an education revolution in Australia. Up and down the country, spokesmen and women for education on the Labor side told us about the shortcomings of the Australian education system. They told us about the failures of teaching, the failures in learning, the absence of research and the underfunding. There was a litany of complaints about the nature of Australian education. This was not just at the higher education level, which is what this bill is concerned with; it was at the primary level and the high school level as well. Apparently there was virtually no part of Australian education that did not need some kind
of change, some kind of reform. In fact, those who had a lack of familiarity with education might have thought that Australia’s education system resembled that of a rather poor and underdeveloped African republic on the basis of the rhetoric and the charges which were made with regard to the strength of the education system in our country.

Revolutions, it seems, are not what they used to be. They used to be about substantial upheaval. They used to be about transformational change and reform. They used to be about substantial and significant alterations to the status quo. And what have we got here? The revolution seems to amount to giving a few computers to a few schools across the country and saying: ‘That is what the need is. That is what the requirement is. If we provide you with that opportunity then the revolution is complete and our rhetoric is satisfied.’ What a dissembling that is. It is classic Rudd government spin on the way in which we should be dealing with the very serious question of education in our country.

The saddest thing about this so-called revolution was that it ended up junking, disposing of, one of the very great innovations that had taken place in Australian education over the last few years. Of course, I am speaking of the Investing in Our Schools Program, which was introduced by the Howard government. It was an extremely successful program for our schools, one that provided sports arenas and equipment for many public schools. It provided drama facilities for some schools. It provided air-conditioning in some instances of which I am aware. It provided musical instruments. It provided the opportunity for some schools to get IT equipment which would otherwise not be available to them.

It is interesting to ask in the context of this very valuable program why it was necessary for the federal government to enter this field and why it was necessary for this program to be introduced in the first place. The answer to that question is a very straightforward one: the state governments, who of course have primary responsibility for this area, had completely neglected their responsibilities. They had been delinquent in providing the funds which were necessary for these elementary parts of a school education in Australia in the 21st century.

We now have the curious situation, the sad situation, the tragic situation, where we are expected to believe that a revolution was necessary. I was never persuaded that a revolution was necessary in Australian education. Certainly, reforms were desirable. I am not suggesting for a moment that we could not have improved the education system at all levels in various kinds of ways, but there was certainly no need for an education revolution. But one of the key programs dealing with the education system, which was valuable for Australian schools, has been removed and innovation has been quashed.

This bill deals with higher education issues. The Howard government was lashed on these issues for a long period of time by the Democrats, as we have heard this afternoon. The election promises from the Labor Party in relation to the reforms which they said were necessary were long and rather tedious. I do not need to go into them. But it is entirely typical of the Rudd Labor government that the revolution in relation to higher education comes down to not very much at all. Indeed, what was virtually the first thing the government did when it arrived in government? It set up an inquiry into higher education. So now we are waiting for Professor Bradley’s review to be completed. On the basis of that review, perhaps those of us who are anxious might fire up the revolution in some way. It might provide us with a road map. It might provide us with some sort of direction in which the education program
might proceed into the future. But we are not there yet. At the moment we are waiting for the Bradley review to be completed, or at least we are waiting for its results to be announced. Who knows how long that is actually going to be?

In the meantime, what we have is the Higher Education Support Amendment (2008 Budget Measures) Bill 2008, which is before the Senate this afternoon. I acknowledge that there are in fact some useful reforms in this bill and I think they ought to be commended. The bill, as Senator Stott Despoja has mentioned, proposes an increase in Commonwealth scholarships, giving priority to areas where there seems to be a national need, such as nursing, teaching, science and engineering. That increase in scholarships is certainly welcome. There is a doubling of postgraduate awards in the bill. That is also welcome. There is increasing alarm throughout the higher education community in Australia about the general decline in the number of people who are in graduate schools, and that of course is a matter which is going to profoundly affect our future. So the increase in scholarships might well arrest the decline. If it does so, then that is to be applauded.

Senators from New South Wales and Western Australia will certainly be delighted that there is funding in this bill for the facilities required by the University of Notre Dame. I am pleased to see a university receiving some support in that way. The bill also provides extra funding for students in maths and sciences. What we know about maths and sciences is that, as disciplines, they are in decline. The number of people who are interested in moving into maths and science is in decline. There seems to be a real barrier to people making that a specialty in their undergraduate education. There are real barriers to people moving into those areas of teaching. This is not just a national problem; it is an international problem. If that is the case, if this bill and the provisions that are in it encourage more people to move into maths and sciences then it is to be welcomed. It may provide those incentives and, if it does, then so much the better.

The bill also provides for the funding of facilities at the dentistry school at the James Cook University, which is an institution in the state of Queensland which I am delighted to represent in this place. The bill makes $449.5 million available over four years for the establishment of a dental school in Cairns. Also, $33 million will go to capital infrastructure. Further, approximately $7 million will go to clinical training. I welcome those allocations of funding. JCU has already a strong and strengthening reputation as an important regional university, particularly in tropical specialties in the area of tropical disciplines. This dentistry program will continue that tradition; it will provide an education in dentistry which will focus on providing services to regional, rural and Indigenous communities. Those services are to be welcomed, because those of us who travel around our electorates all know how difficult it is to get dentistry and other kinds of clinical services in those regional and remote areas. If the funding of the dentistry school at JCU contributes to an increase in resources in that area then it is certainly to be welcomed.

The interesting thing about this initiative is that it is not a Labor initiative. It is in the bill, and I welcome it in the bill, but in fact this was a coalition initiative; it was announced prior to the election as an initiative that the then Howard government was prepared to introduce, should it be re-elected, and we would have carried through on that commitment. What we discovered, of course, was that it was such a good and important initiative, one that was so widely welcomed across the community, that the ALP could not do other than emulate it a couple of
weeks after the announcement was made. It was pleasing to see that part of the so-called revolution involves the introduction of an idea and a proposition which were actually the coalition’s idea and proposal going in to the last election. A rather troubling aspect is that this proposition in this bill is not funded to the same extent as was intended to be the case in relation to the coalition’s funding, which was proposed as a figure of about $52 million. There is a danger that the kinds of funds for JCU which have been provided in the bill will be less than are needed. The result of that might well be that some student positions might be underfunded and, more sadly, if it were to come to pass, some of the outreach activities which are intended to be involved in the clinical training might also be curtailed. In any event, I am delighted to see that the funding for JCU has come through and that they will be able to go forward with their school of dentistry.

I suppose the contentious part of the bill, and the last item that I particularly want to make mention of, is the matter of full-fee students in undergraduate positions in universities. This attracted some lively attention earlier in the debate. Senator Mason referred to a ‘whiff of class envy’ in relation to this matter. I actually think it is not so much a reflection of a whiff of class envy—although it is probably that—but more a reflection of an ideological obsession that the Labor Party has with these kinds of positions. It seeks to reverse a policy which was introduced by the Howard government. It is useful in these contexts, when a policy is being reversed, to reflect on the reasons why the policy was introduced in the first place. One of the reasons for it being introduced in the first place was that it offered universities a greater measure of institutional flexibility in the way in which they offered their undergraduate courses. It was not something that all universities necessarily wanted to participate in.

Indeed, even in 2006 the number of students who were enrolled in these kinds of undergraduate full-fee-paying courses was relatively small: about 2.5 per cent of the undergraduate population, amounting to in the vicinity of 14,000 students. So it was not that every university rushed towards offering these kinds of positions, but it was that some universities decided that their mission statements and their approaches to delivering education could be fulfilled by offering these kinds of courses.

The ALP, the now government, has always opposed this way of offering higher education—and for absolutely no convincing reason. There are always arguments, of course, but the arguments amount to very little indeed. These places drove down, allegedly, the entry standards into programs. There was never any evidence that that was actually the case. Allegedly it was a policy that offered education to the rich. Of the students of whom I am aware who entered these programs, my experience was that very few of them were actually rich. They wanted to go into a particular program for a particular reason, they had a very strong commitment to those areas of discipline, they could gain entry in this way, they were prepared to make the commitment and they were prepared to provide the resources which they needed to enter those kinds of programs.

The facts always belied the arguments which were made as to why these particular places ought not be available in universities. From my perspective, the ALP always led a rather narrow, irrational and ideologically opposed debate about the virtues of these programs. I do not share the ideological biases, of course, which underpin the arguments against them, and I do not share the ideological convictions which underpin this particular reform—although, as Senator Mason has said, we do not oppose the bill, be-
caused we recognise that it was an issue which was taken to the last election.

The problem with this particular reform is that it does violence to certain principles which should underpin a sound higher education program. In my view, one of those principles is that a higher education program should encourage diversity in higher education. It should encourage the opportunity for universities to decide how they want to deliver their educational programs. They ought to be given an opportunity not to homogenise themselves—38 universities all doing the same kinds of things across the country. Policy ought to be providing an opportunity for universities across the country to build on their comparative advantages. They ought to have an opportunity to define themselves as institutions in ways which reflect their own preferences—to focus on particular cohorts of students or to focus on particular disciplines, if that is what they choose to do. They ought to have an opportunity to go with their strengths, to put it colloquially. A program of this kind ought to be underpinned by equity. There is no compelling and valid reason why Australian students should not be, in some cases, asked to pay for courses that overseas students are also asked to pay for.

Aside from the educational philosophy there is the problem of costs. This has been alluded to by the previous speakers in this debate. Under this program $249 million is provided as compensation. My view is that this will not be enough. It will not be enough to compensate universities for the revenue which will be forgone as a result of this policy change—$249 million will only fund about 11,000 of the nearly 14,000 places which are available. So there is going to be a shortfall and someone is going to have to pay for it. Is it going to be the universities? Are they going to be put in a difficult position as a result of this program or not? (Time expired)

**Senator Nettle** (New South Wales) (5.11 pm)—I seek leave to incorporate my remarks.

Leave granted.

The speech read as follows—

After nearly six years of speaking on behalf of the Australian Greens on higher education I am pleased to be able to deal with a bill which is moving us closer towards The Greens vision for higher education in this country.

The Greens vision for education in this country is that everyone is able to access education regardless of how much they earn or their parents earn. If we want to be a clever country we have to make sure that everyone has access to education. And education has to be a life long learning experience. That means free public preschool so that every kid and particularly every Indigenous kid has access to top quality early childhood education.

The Greens want to see our public schools given the funding they deserve from our federal government. You want to see a real education revolution? Start with putting the money that education ministers from around the country have said is necessary to ensure that our public schools can teach to the minimum standards that education ministers have set down. That’s an additional $2.8 billion each year for public schools. You have to start with that necessary funding for our public schools before can even begin on the path to an education revolution.

When it comes to higher education, the Greens vision for this country is that we return to the situation we had in this country not so long ago, that is, free tertiary education.

Cost should not be a barrier to people being able to access top quality education.

The Greens recognise takes baby steps in the direction of the Greens vision for higher education in this country.

However, in examining the reasoning behind some of these measures we are left wondering why the Commonwealth has not gone further in addressing barriers to entry, accessibility and affordability of higher education which a number of these measures address.
This bill makes some significant changes to the fee structure for domestic undergraduate students at Australian universities. Firstly, this bill abolishes the full upfront fee degrees for domestic undergraduates. The Greens have always opposed the introduction of full fee degrees and in particular the differential entry requirements that have been associated with them. These entry requirements had a serious effect on equity, turning some courses into de facto full fee only degrees right from the outset. One academic from Monash University outlined the problem to me back in 2003...

“Current arrangements in place at Monash University (and in other universities) allow full-fee paying students to switch to HECS places in their second year (subject to satisfactory performance). Hence full-fee paying students leap-frog the VCE/HSC entry requirements and then obtain a subsidised place in their second and subsequent years. The result is that qualified students are denied HECS places in their first year.

The government has claimed basically that expanding the number of full-fee paying students has no effect on current arrangements—it only allows some extra students to enrol who would not otherwise have been able to study. This is not true.

If universities respond to the new legislation as they already have to their existing opportunities to enrol full-fee paying students, there would be almost no HECS places available for first year students in (say) law. All the HECS places would be allocated to second and later year students. All (or almost all) first year students would be full-fee paying. The potential impact on access to, and equity in, higher education is enormous. Such arrangements already exist in one course I know of.”

We now know that these negative equity outcomes became more widespread and as the full fee degree system was further deregulated and FEE-HELP was introduced. The situation got worse and was poised to become endemic. The abolition of full fee degrees is perhaps the most significant measure in this bill and hasn’t come a moment too soon.

When the deputy prime minister spoke in the House of Representatives on this piece of legislation she said that this bill was abolishing full fee university degrees, “to ensure that students gain access to higher education on merit and not on ability to pay.”

The Greens agree and the welcome the abolition of full fee university degrees in this piece of legislation.

We welcome this move. Our support for this is hardly surprising given our support of free public education. The Greens want to ensure that ability to pay is never the determining factor as to what level of education Australians receive.

As I said before, this simple principle informs our policy at all levels of education.

We do not support requiring pre-schoolers’ parents to pay for the most essential education their child will ever receive—early childhood education. We support the provision of free public education of the highest quality at primary level, we support it at secondary level, we support it at post compulsory secondary level, and we support it at the tertiary level as well.

This principle of removing financial barriers to accessing higher education was invoked by the Government when speaking on this bill in the House of Representatives.

When the Deputy PM says she wants “to ensure students gain access to higher education on merit and not on ability to pay”, The Greens say hear hear!

But why only apply this principle to full fee university degrees?

What about those students who do not even try to get into uni or TAFE because they can not afford the high fees, or are scared of the debt they will incur?

The Greens agree with the government that access to education should be about merit not wealth, which is why we want to see all the financial barriers to a university and TAFE phased out not just full fees.

The Government clearly agrees with The Greens about how the fear of debt prevents students from going to university. That is why this bill reduces the HECS debt for science, maths and statistics students in order to encourage more students to enrol in these courses.
The Deputy Prime Minister tells us in her second reading speech on this bill that these measures will,

“provide considerable incentives for students to study mathematics and science at university.”

The logic of this statement is that paying the current higher rates of HECS fees for these courses is a disincentive. The Greens agree.

But we also think that paying the $4,162 that these courses will cost a student to study in 2009 is also a disincentive, and should these fees should be covered by the Commonwealth—as they were when the Deputy Prime Minister went to university.

The logic of alleviating disincentive continues in this suite of budget measures with the introduction of HECS-HELP ‘benefit’ which allows the Minister to reduce or cancel students HECS debts. Why? Well again it is a measure designed to provide incentives (or reduce disincentives) related to the costs of education.

The Greens welcome the move to reduce fees in the area of early childhood education, as we welcome the news that graduates teaching maths or science will have their HECS repayment burden reduced. These are important changes in the fee system in Australian higher education.

And they are changes that The Greens have been advocating for my entire time in Parliament and before that as well.

These changes recognise that fees and debts turn students off education.

As I say, The Greens have been of this view from the outset and we will continue to push for the expansion of this programme of debt relief and fee reduction until all Australians can access university “on merit and not ability to pay.”... as the Deputy Prime Minister said.

I have visited universities and spoken to students across the country as an MP and before entering parliament. That experience left me in no doubt as to the impact that student poverty has on the quality of the education we produce in this country.

I have heard many stories about students working full time in low paying jobs just to pay the rent and pay for their groceries and the impact that has on their ability to put time and effort into their supposedly full time university study.

You can’t tell me that these students are achieving their full potential.

Bear in mind that the Commonwealth is subsidising the cost of the tuition for the majority of these students and if the government wants to ensure that that investment is benefiting the whole community they need to ensure that students can focus on their study while at university rather than have to spend all their time at uni working with reduces the number of students who complete a quality education.

The Greens yet again call on the government to increase student support.

This is an issue that has been conspicuously dismissed in the budget. There are no proposals from the so-called ‘education revolution’ government to increase AUSTUDY, Youth Allowance and ABSTUDY.

The Greens join the higher education sector, National Union of Students, the National Tertiary Education Union and Universities Australia in calling on the government to urgently overhaul student financial support measures and deliver students a living wage whilst they are studying.

The Deputy Prime Minister has indicated that the ‘Bradley review’ of the sector will have a broad terms of reference and that this review will be looking at participation, access and opportunity. The Greens expect that this review will, like all other investigations into this area, find that student poverty is undermining the quality of higher education, is a threat to equity and must be urgently addressed.

The Greens welcome the increase in Commonwealth Scholarships in this bill from 44,000 to 88,000 by 2012. The Greens want the scholarship system to be examined as part of the Bradley review with a view to expanding the support available to students or even better, subsumed by a comprehensive system which ensures that students are able to concentrate on their studies during term time and are not forced to work more than 20 hours a week on average as the current student population does.

In the area of post graduate studies again this government has moved in the right direction but
inexplicably fallen short of what the sector needs. This bill increases the number of Australian Postgraduate Awards which deliver financial support for PhD and Masters by research students to nearly 10,000. That is a positive step but again it doesn’t address the very real financial pressures that these students face because the level of financial support these awards give leaves postgraduates forced to work instead of researching or else struggle on an income less than the Henderson Poverty Line.

The philosophy underpinning the measures in this bill is of a much healthier variety than the previous government. The Greens hope that this government is starting to recognise that education spending is an investment rather than a cost. But what’s missing is the political drive to see the logic through and make the very large contributions that the sector needs. If these investments are not made in the next budget—which will be after the Bradley review has been completed—then the government’s rhetoric about an education revolution will be precisely that. Rhetoric! They will be exposed as frauds disguised in the language of commitment to education but with not follow through and no guts to commit to a genuine education revolution.

I will not be in the parliament when this test is faced but my fellow Greens will be—and in increased numbers. The Greens will continue to advocate for public education and for the investment that public education needs and deserves for our whole society to flourish. But time is running out—aft 12 years of neglect its time to act.

One of my first speeches in this place was about my commitment to benefits of public education and about the need to support public higher education in particular. Then like now it came on the eve of a major review of the sector. Back then I told the Senate:

“The Greens believe that the solution to the self-created crisis in higher education is rooted in a fundamental reinvestment by the federal government in the sector—not via increased access to loans schemes but by a direct investment in the higher education sector.

In this context, the Greens see a review of higher education as timely—not as a chance to undermine the public education system but as a chance to put appropriate funding, appropriate investment, back into public education and to put this back on the agenda.”

It was true then and it is still true today. I have a little more hope now but The Greens will not rely on hope. Instead we will continue the fight to make Australia’s public education system the envy of the world and in doing so ensure that our community is best equipped to meet the challenges of the century - and meet them together, as a thoughtful, harmonious and prosperous people.

Senator WORTLEY (South Australia) (5.11 pm)—I seek leave to incorporate my remarks.

Leave granted.

The speech read as follows—

Mr President, I rise to speak in favour of the Higher Education Support Amendment (2008 Budget Measures) Bill 2008.

I do so because this Bill is yet another example of the Government following through on its election commitments ... in this case, following through on our key higher education election commitments.

Unfortunately, the Opposition has chosen ... yet again ... to treat the will of the Australian people with contempt by attempting to stop this democratically elected Government from making good on its promises through the 2008-2009 budget Bills.

This Higher Education Support Amendment Bill is true to the very heart of Labor policy when it comes to education: We believe in better access and a fairer system.

We believe good-quality, universally accessible education is a right, not a privilege.

We also believe in doing something about the skills crisis gripping this country — and to this end, too, this Bill takes steps.

As law, this legislation will offer incentives for young people to study and take up a career in maths, science and early childhood education — all priority skills areas for our economy and society.
We’re ensuring, too, that higher education provider funding for maths and science will be maintained.

The Bill will move to make higher education accessible for Australians in several ways:

- It will abolish full fees for domestic students and double the numbers of undergraduate scholarships and postgraduate awards available.
- It also provides for the funding of places and infrastructure for James Cook University Dental School and medicine, nursing and education at the University of Notre Dame.
- Through measures such as these, Labor is working to bring back fairness and equity to higher education.

When I first spoke in this place, I reflected on having benefited from the Whitlam Government’s policy to broaden access to the tertiary education system.

And now, before us today we have a Bill that will again assist young Australians realise their potential and reduce the burden on families when it comes to university fees.

There will be an extra positive spin-off for rural and regional Australia, too, with the reduction of HECS repayments for those graduates who work in early childhood education jobs in the country.

So this legislation is about equality and opportunity.

Universities will have 11,000 new Commonwealth-supported places with on-going funding by 2011 to replace the full-fee-paying places that will be phased out from 2009.

Students will be able to engage in merit-based competition for these places, rather than having their chances based on their ability to pay.

And no existing student will lose their place.

Australia has much to gain in terms of culture and research efforts from being part of international educational exchange - and the Government encourages higher education institutions to enrol fee-paying overseas students.

Places for overseas students are in addition to, not in place of, domestic students.

The Government’s higher education commitment is to better equip Australians to take their place as productive members of our society ... through increased knowledge and opportunity.

This also will rein in the skills crisis and make our country a more prosperous one.

Therefore I commend this Bill to the Senate.

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (5.11 pm)—I thank all those senators who have spoken on the bill, in particular Senator Brett Mason. It is always refreshing to see his lively contributions, and it was particularly so on this occasion. I note with a touch of regret that Senator Carr is not here to handle, in a representative sense, his own legislation. Senator Carr, of course, has a well-known interest and passion for education legislation, and watching he and Senator Mason contest the education debate is always useful.

I want to pick up on one point from Senator Mason’s contribution. He referred to higher education being at crisis point in Australia. Senator Stott Despoja picked up on this point as well—if higher education is at crisis point, as Senator Mason suggested, what does that say about the government of which he was part for almost 12 years, when it comes to higher education? I do not believe it is correct; I think ‘crisis point’ is overstating a range of issues that the higher education sector faces. But, if that is Senator Mason’s contention, what was his government doing for almost 12 long years?

I acknowledge the very longstanding interest, level of contribution and considered contribution of Senator Stott Despoja. She made the point that she thought this would be the last legislation in respect of higher education that she would have the opportunity to make a contribution on. However, she has apparently found another piece of legislation that will be debated next week. I hope that eventuates—we all know the pressures on time today and next week when it comes
to legislation. I wanted to take the opportunity to acknowledge Senator Stott Despoja’s very, very considered, knowledgeable and keen interest in higher education during her period in the Senate; I do not think it should go unsaid. I thank her for her contribution.

Senator Stott Despoja—Thank you.

Senator SHERRY—So that is my general summation and my thank you to those senators who have spoken on the bill. The bill before the Senate amends the Higher Education Support Act 2003 to implement the government’s education revolution 2008-09 budget package in higher education. These measures carry through the government’s public election commitments. I emphasise that we made a series of commitments during the election campaign and I would hope that by now everyone would be very well aware of the determination of this government, in particular that of the Prime Minister, Mr Rudd, to deliver on all our election commitments. There are no core and non-core promises, as we saw from the previous government; we will be delivering on all election commitments.

The commitments delivered in this bill are complemented by the budget’s two major education infrastructure initiatives—the Better Universities Renewal Fund and the Education Investment Fund—that together will provide a much needed investment in restoring university facilities. These funds will fund major infrastructure investments in our universities. These initiatives are part of the government’s commitment to ensuring higher education plays a leading role in equipping Australians with the knowledge and skills to make Australia a more productive and prosperous nation.

This bill makes important amendments to the Higher Education Support Act 2003 to address urgent and immediate priorities. One such priority is to amend the act to provide incentives for students to study mathematics and science at university. The maximum annual student contribution amount for new students studying mathematics, including statistics, or science units will be reduced from $7,412 a year to the lowest national priority rate of $4,162 in 2009 for an equivalent full-time student load. Commencing maths and science students will contribute at the same rate as students studying education and nursing units of study. These are areas of particular workforce need. Existing students will also benefit if they transfer into a mathematics or science course.

On the issue of mathematics, whilst I am not renowned for my knowledge of education policy, I have experienced and have firsthand knowledge of the impact of the lack of mathematics graduates, specifically in the area of actuarial studies, through my work in superannuation. I will digress briefly to say actuarial studies is very important in the areas of superannuation, insurance and long-term forecasting. The critical shortage of mathematicians is making things more difficult in the policy area because actuarial studies is dependent on very sophisticated mathematical formulae, modelling and calculations. If you do not have maths graduates in that area, if you do not have mathematics graduates going into actuarial studies, you find, as with many other areas where mathematics makes an important contribution, that has significant, profound and adverse ramifications for our society.

The bill also provides incentives for maths and science graduates to pursue related careers, including teaching these subjects in secondary schools, through the new HECS-HELP benefit, which will give effect to the government’s policy for HELP debt ‘remissions’. The HECS-HELP benefit will also encourage early childhood education teachers to work in areas of particular need. The HECS-HELP benefit will reduce an eligible
person’s compulsory HELP repayment. For certain eligible persons, if no compulsory repayment is required to be made, the benefit may be a reduction in the person’s accumulated HELP debt. The amendments to the act provide the framework for the HECS-HELP benefit and for the details of the eligibility requirements and the amount of the benefit to be specified in HECS-HELP benefit guidelines. The maths and science HECS-HELP benefit will be available to people who graduate from a maths or science course from the second semester of 2008 onwards, having undertaken that course as a Commonwealth supported student, and who are employed in a related occupation.

The early childhood education HECS-HELP benefit will be available to eligible people who have graduated at any time from an early childhood education teaching course undertaken as a HECS-liable or Commonwealth supported student, and who are employed as a teacher in an early childhood setting in an eligible location—regardless of whether their repayment income is such that they are required to make a compulsory repayment amount in the income year.

Another of the government’s key election commitments reflected in this bill is to ensure that students gain access to higher education on merit and not on ability to pay, by phasing out full-fee-paying undergraduate places for domestic students in public universities from 2009. From 1 January 2009, universities will not be able to enrol a new domestic undergraduate student in a full-fee-paying place, except in circumstances where the act prohibits their enrolment as a Commonwealth supported student. Additional exceptions are for students who accepted a fee-paying place this year but have deferred taking it up and for students who commenced their courses as overseas students but later become domestic students. Fee-paying students who began their courses before 2009 will be able to continue their courses on a fee-paying basis.

The Labor government will allocate up to 11,000 new Commonwealth supported places by 2011 to replace the full-fee-paying places that will be phased out from 2009. Funding for the places will be ongoing. If universities demonstrate that assistance is required to ensure the delivery of replacement Commonwealth supported places, the Labor government may provide additional funding, over and above that for the places, through the new transitional loading that is being introduced through this bill. In addition to the measures I have outlined, the bill will also provide for increased funding under the act for additional Commonwealth supported places in early childhood education and nursing; for the expansion of Commonwealth scholarships, including the doubling of the number of undergraduate scholarships from 44,000 to 88,000 by 2012 and the doubling of the total number of Australian Postgraduate Award holders to nearly 10,000 by 2012; for capital infrastructure, additional Commonwealth supported places and clinical outreach funding for the establishment of the James Cook University Dental School; and for capital infrastructure and additional Commonwealth supported places in medicine, nursing and education at the University of Notre Dame Australia.

The measures in this bill, in addition to our commitment to the $11 billion Education Investment Fund and the $500 million Better Universities Renewal Fund, which are not covered by the act, represent the start of the Labor government’s education revolution in higher education. Together with addressing these immediate priorities, the government is taking its reforms further to make the required long-term, systemic improvement in the higher education sector through our review of Australian higher education, led by Emeritus Professor Denise Bradley AC. This
is important work. It will report on the future direction of the sector and its capacity to meet the needs of the Australian economy and its options available for ongoing reform. The government’s response to the review will build on this legislative package that I present to you today.

I note with a touch of sadness that Senator Kim Carr is not here—I know his long-term passionate interest in education—to have delivered the very comprehensive and summary overview of our education revolution. That will commence once this legislation is implemented. In fact, I am half-tempted to send a copy of my speech to wherever he is just to remind him of what he has missed with the passing of this legislation.

Finally, I always believe it is important to acknowledge senators who incorporate their speeches. There were two—Senator Nettle and Senator Wortley—and I do thank them for doing that, given the time limits that we are operating under in terms of the general budget. 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.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2008-2009

APPROPRIATION BILL (No. 1) 2008-2009

APPROPRIATION BILL (No. 2) 2008-2009

First Reading

Bills received from the House of Representatitives.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.24 pm)—I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.25 pm)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2008-2009

The purpose of the Appropriation (Parliamentary Departments) Bill (No. 1) 2008-2009 is to provide funding for the operations of the three Parliamentary Departments.

The total appropriation sought through this Bill is almost $171 million. Details of the proposed expenditure are set out in the Schedule to the Bill.

As I outlined in my introduction to Appropriation Bill (No. 2) we have prepared an Explanatory Memorandum for this Bill to explain the clauses in the Bill and, in particular, changes made compared to previous Appropriation Bills.

I commend the Bill to the Senate.

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APPROPRIATION BILL (No. 1) 2008-2009

Appropriation Bill (No. 1) 2008-2009, together with Appropriation Bill (No. 2) 2008-2009, is one of the principal pieces of legislation underpinning the Government’s first Budget.

Appropriation Bill (No. 1) 2008-2009 seeks authority for meeting the expenses of the ordinary annual services of Government.

This Bill seeks approval for appropriations from the Consolidated Revenue Fund totalling approximately $60.9 billion.

Details of the proposed appropriations are set out in Schedule 1 to the Bill, the main features of
which were outlined in the Treasurer’s Budget speech on 13 May 2008.

We have taken the opportunity in this Budget to prepare an Explanatory Memorandum for each of the Budget appropriation Bills. The Memoranda explain the clauses in the Bills in detail and, in particular, the changes made for 2008-09 compared to previous appropriation Bills. This is the first occasion on which a Government has prepared Explanatory Memoranda to explain the appropriation Bills. It also supports the Government’s policy to increase the disclosure of information on government financial management.

The drafting of the legislation text contained in the Budget appropriation Bills has been simplified to streamline certain provisions and remove redundant references. The changes are canvassed in the Explanatory Memoranda.

I commend the Bill to the Senate.

APPROPRIATION BILL (No. 2) 2008-2009

It is with pleasure that I introduce Appropriation Bill (No. 2) 2008-2009, which, together with Appropriation Bill (No. 1) 2008-2009, is one of the principal pieces of legislation underpinning the Government’s first Budget.

Appropriation Bill (No. 2) 2008-2009 proposes appropriation for agencies to meet:

- expenses in relation to grants to the States under section 96 of the Constitution and for payments to the Australian Capital Territory, the Northern Territory and local government authorities;
- requirements for departmental equity injections, loans and previous years’ outputs; and
- requirements to create or acquire administered assets and to discharge administered liabilities.

Appropriation Bill (No. 2) 2008-2009 seeks approval for appropriations from the Consolidated Revenue Fund totalling almost $12.7 billion.

We have taken the opportunity in this Budget to prepare an Explanatory Memorandum for each of the Budget appropriation Bills. For past appropriation Bills, the Budget Papers and Portfolio Budget Statements have explained the appropriations broadly. However, the clauses in each bill and the changes to the provisions have not been explained in detail. The Memoranda explain the clauses in the Bills in detail and, in particular, the changes made for 2008-09 compared to previous appropriation Bills. This is the first occasion on which a Government has prepared Explanatory Memoranda to explain the appropriation Bills. It also supports the Government’s policy to increase the disclosure of information on government financial management.

The drafting of the legislation text contained in the Budget appropriation Bills has been simplified to streamline certain provisions and remove redundant references. The changes are canvassed in the Explanatory Memoranda.

Budget Paper No. 4 provides information on appropriations that are expected to be required in the budget year. As part of the Government’s Operation Sunlight program to increase the transparency of the Budget, Budget Paper No. 4 also contains two new tables. The first outlines estimates of expenses for each special appropriation Act by agency and the second is a register of all active special accounts operated by each agency.

Details of the proposed appropriations are set out in Schedule 2 to the Bill, the main features of which were outlined in the Budget Speech delivered by my colleague, the Treasurer, on 13 May 2008.

I commend the Bill to the Senate.

Debate (on motion by Senator Sherry) adjourned.

APPROPRIATION BILL (No. 5) 2007-2008

APPROPRIATION BILL (No. 6) 2007-2008

First Reading

Bills received from the House of Representatives.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.25 pm)—I move:

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

Bills read a first time.

Second Reading

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.26 pm)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

APPROPRIATION BILL (No. 5) 2007-2008

There are two Supplementary Additional Estimates Bills: Appropriation Bill (No. 5) 2007-2008, and Appropriation Bill (No. 6) 2007-2008. I shall introduce the latter Bill shortly.

These Bills seek authority for supplementary appropriation from the Consolidated Revenue Fund in the current financial year, to pay for important initiatives agreed by the Government since the Additional Estimates 2007-2008.

The total appropriation being sought through the Supplementary Additional Estimates Bills is approximately $1.1 billion, with $626.5 million being sought in Bill 5.

I now outline the major items provided for in the bill.

The Government will provide an additional $500 million in 2007-08 to the Department of Employment, Workplace Relations to distribute among Australian universities for capital investment in five priority areas. These areas include IT communications in research and teaching, laboratories, libraries and places to study, teaching spaces and investing in critical student amenities. The measure will begin to address past capital under investment in these priority areas.

An additional $112.3 million will be provided to the Department of the Environment, Water, Heritage and the Arts to fund a variety of water initiatives reflecting the Government’s recognition that urgent action is needed to tackle the water crisis. The initiatives, all of which deliver on the Government’s election commitments, include:

- an additional $81.0 million in 2007-08 as part of a bring forward of $400 million of funding from 2011-12 under the Water for the Future Package, to accelerate investment in water saving infrastructure and to purchase water entitlements from willing sellers;
- an additional $35 million brought forward from 2011-12 under the Water for the Future package, to make an initial contribution to the Harvey Water Piping Project in Western Australia. The project involves upgrading irrigation supply infrastructure to reduce seepage and evaporation, with the water saved to be piped to Perth; and
- $10 million, as part of the five year funding package of $254.8 million to work with government and local water authorities to minimise water loss, invest in more efficient water infrastructure, refurbish older pipes and water systems, and fund practical projects to save water. This initiative will help address some of Australia’s worst water leaks and losses and reduce the impact of the drought and climate change on Australia’s towns and cities.
- These funding increases are partially offset by savings in other programs.

The balance of the amount in Appropriation Bill (No. 5) relate to estimates variations and other minor measures.

I commend the bill to the Senate.

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APPROPRIATION BILL (No. 6) 2007-2008

Appropriation Bill (No. 6) 2007-2008 requests additional funding for agencies to meet:

- expenses in relation to grants to the States under section 96 of the Constitution and for payments to the Australian Capital Territory, the Northern Territory and local government authorities; and
- capital requirements in the form of departmental equity injections.

Total additional appropriation of around $501.9 million is proposed in Appropriation Bill (No. 6) 2007-2008.

The principal factors contributing to the additional requirement since the 2007-2008 Addi-
tional Estimates include $501.7 million in additional payments to the States, Territories and local government authorities, to fund a range of important measures.

$100 million will be provided to the Department of Education, Employment and Workplace Relations, as part of a $1.2 billion funding package over five years, to implement the Digital Education Revolution in partnership with State and Territory governments. This initiative delivers on an election commitment and includes:

- the establishment of a National Secondary School Computer Fund to provide grants of up to $1.0 million to eligible secondary schools to assist them in providing new or upgraded information and communications technology to students in Years 9 to 12;
- contributions towards the provision of high speed fibre-to-the-premises broadband connections to schools and to provide support to ensure the effective deployment and installation of computers and ICT equipment purchased under the Fund; and
- funding for collaborative work between the Commonwealth, State and Territory governments and non-government school system and industry to develop a unified technical framework and to fund administration costs of Block Grant Authorities which will manage funding for non-government schools.

The Department of Families, Housing, Community Services and Indigenous Affairs will receive an additional $100 million to provide to State and Territory governments under the Commonwealth State Territory Disability Agreement. This funding will increase the availability of supported accommodation for people with a disability where their carers are ageing. The funding will allow the States and Territories to establish, build or purchase new facilities with the capacity to care for more people with disabilities. These facilities will provide older carers with respite and the ability to plan for the transition of their children with a disability from the family home to other accommodation arrangements. This funding increase is partially offset by savings in other programs.

The Government will provide an additional $182.4 million in 2007-08 to the Department of Health and Ageing to fund a range of initiatives including:

- $100 million, as part of a $389.5 million funding program over five years to provide grants and recurrent funding to support and upgrade a range of healthcare facilities to improve patient treatment and outcomes; and
- $75 million as part of a $600 million program over four years to reduce waiting lists for elective surgery in public hospitals in each State and Territory. This funding includes amounts to conduct an immediate national blitz to help clear the backlog of people who have been waiting longer than the clinically recommended time for elective surgery.

The Department of Infrastructure, Transport, Regional Development and Local Government will receive an additional $75 million in 2007-08 for the development of feasibility and planning studies for projects to address urban congestion. The studies will involve the planning, design and the development of business cases, including cost/benefit analysis and identifying possible State-specific improvements to public transport. The studies will be undertaken by the respective State Governments, commencing in 2007-08.

An additional $80 million is proposed for the Department of the Treasury to make an initial payment to the Western Australian Government as compensation for the loss of its share of offshore petroleum royalty revenue as a result of the imposition of crude oil excise on condensate. The appropriation amount is less than $80 million because of savings in other programs.

The balance of the amount in Appropriation Bill (No. 6) relates to another minor measure.

I commend the bill to the Senate.
Sherry’s views about wishing Senator Carr was back. We are actually quite happy to have him where he is—

Senator Sherry—Wherever that is!

Senator RONALDSON—Yes, as long as he is not playing Father Christmas again, as he did with the $35 million of working families’ funds by giving it to Toyota, when Toyota had not even asked for it. That was an appropriation that I suspect Toyota was certainly not expecting—

Senator Sherry—Oh, what a feeling!

Senator RONALDSON—Oh, what a feeling—a very, very generous one. Obviously, I do wish to make some comments today in relation to Appropriation Bill (No. 5) 2007-2008 and Appropriation Bill (No. 6) 2007-2008 and, in some respects, set the scene. The former Howard-Costello government, probably for the first time in this nation’s history, put the budget front-of-mind for the Australian community. In 1996 the Australian community realised that the former Keating and Hawke governments had left this country in an appalling mess. There was a $96 billion budget black hole, a black hole that they were—

Senator Coonan—Economic vandalism!

Senator RONALDSON—As Senator Coonan said, economic vandalism—like we have never seen before. I am sorry, I am doing a Senator Wong: I am pointing, and I will not do that. The former government were very careful to ensure that, on behalf of the Australian people, we actually paid that $96 billion back. Currently, there is an expectation from the Australian people that all governments will be responsible. We set that up 12 years ago and we will continue to do so. You would think that an incoming government that had been left with no net government debt, where everything had been paid off and where they had a healthy budget surplus would actually be lauding the activities of that former government.

Senator Coonan—They certainly should be a bit more gracious.

Senator RONALDSON—As Senator Coonan said, they could at least be gracious about what was achieved. But we are seeing exactly the opposite. I want to put on the public record tonight—and I think it is a crying shame that someone from this side has got to do it; I would have hoped someone from the other side would have been prepared to do this—and acknowledge the extraordinary economic efforts of the previous government.

Senator Coonan—Over a sustained period.

Senator RONALDSON—Yes, and I would have hoped that would be done. Quite frankly, it is a bit of a tragedy that it has not been done before and it is now left to me to do so. I will go through some of these so that at least my Victorian colleague and Senator Sterle from Western Australia hear them, and I am sure they will then go out and tell their colleagues about them, which would only be fair in the circumstances.

Senator Coonan interjecting—

Senator RONALDSON—Indeed. Firstly, in 1996 the Index of Economic Freedom placed Australia 10th. In 2008 the ranking was fourth, so go out and tell your colleagues about that. Spread the word about that, brother. Secondly, in 1995 the UN Human Development Index placed Australia 15th. At the end of your term of government, it was 15th. In 2008 our ranking was third. The UN Human Development Index placed Australia 15th in 1996 and third in 2008.

Senator Parry—What happened in the intervening years?

Senator RONALDSON—Senator Parry has asked what happened in the intervening

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years. You had a government that was committed to this country’s future and that was serious about unwinding some of the disasters of the previous government and getting in there and doing exactly what the Australian community wanted—and that is the outcome of that.

Thirdly—and, as you know, Mr Acting Deputy President, I do not normally read speeches, but there are some facts here that I need to have properly on the record—between 1996 and 2006 Australia’s economic growth increased on average by 3.6 per cent per year compared to 3.2 per cent for the USA, 2.8 per cent for the UK, 2.2 per cent for Europe and 1.2 per cent for Japan. That was a quite extraordinary effort from a nation of some 21 million people. I will go through those figures again. Between 1996 and 2006, Australia’s growth increased on average by 3.6 per cent. The growth of those powerhouses—the US, the UK, Europe and Japan—was 3.2 per cent, 2.8 per cent, 2.2 per cent and 1.2 percent respectively.

Fourthly, over 10.5 million Australians are currently in work. That is 2.2 million more than were in work in March 1996. I think that a fantastic figure, a sensational figure and a figure that we do not hear from those on the other side is that a massive 60 per cent—some 1.32 million—were full-time jobs. That is an extraordinary legacy left by the previous government, which is again not acknowledged by those opposite. It is a churlish attitude to a marvellous record. The unemployment rate in 1996 was 8.2 per cent. In August 2007, the rate had fallen to 4.3 percent—as Senator Parry knows.

Fifthly, between March 1983 and March 1996, real wages of working families decreased by 1.8 per cent. Under the former government, real wages increased by 21.5 per cent. If you want to deliver for working families in this country, then the way you deliver is you give them real wage increases, you provide opportunities for education, you keep inflation under control and you keep interest rates down—which brings me to my next point. Over the 12 years of the coalition government, home mortgage rates averaged 7.25 per cent. Between 1983 and 1996 under the former Labor government, it was a whopping 12.75 per cent, with a high of 17 per cent. I remember getting my first mortgage in 1983—obviously I was a very young man then—and I was paying 18.25 per cent. And after five years we had a mortgage debt which we had not paid a red cent off. What a legacy 18.25 per cent was for Australia’s working families!

Finally, I want to return to inflation. Inflation averaged 2.5 per cent from March 1986. What was it under Labor when they left office in 1996? It was 5.2 per cent, with a peak of 11.1 per cent. So it averaged 2.5 per cent from March 1996 until 2007. Under Labor, the average was 5.2 per cent with a peak of 11.1 per cent. That is not a genie; that is an inflation monster. We are not prepared to be lectured by the Australian Labor Party in relation to our record. I would have thought they would actually give us some support and praise for the economy that the new Rudd government inherited.

I would like to make a couple of other final points because I am acutely aware of the time frame. I want to talk about a couple of budget measures. The first of those is the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2008, which was introduced in the other place and debated within about 24 hours. I have seen some stupid policy decisions and I acknowledge that all governments, of all persuasions, make some very silly policy decisions. But I tell you: this is the one that is going to come back and haunt this government. More importantly, it will come back and haunt the
very people who you pretend to be supporting: Australia’s working families.

Australia’s working families know who is going to support them better and they know, from the record I have just given, that that is the coalition and not the Australian Labor Party. Why you would, for revenue means and revenue means only, risk taking between half a million and one million Australians out of private health insurance and loading up the public system absolutely beggars belief. I have not yet heard any reasonable explanation for this. What we do know, from my memory of what happened in the estimates process, was that no-one bothered to ask Health about this. This was all done out of Treasury. This was a revenue measure, which took absolutely no account of the impact or of the people that you pretend to represent—Australia’s working families. Treasury estimates it is half a million; industry believes up to a million people will go out of private health insurance into the public system. We already have a crisis in the public health system. You take that half a million out and you single-handedly—

Senator Marshall—A crisis!

Senator RONALDSON—Yes, we have. Because the state governments around this country, which happen to be of the same political persuasion—

Senator Marshall interjecting—

Senator RONALDSON—Clearly, Senator Marshall is so completely out of touch that he is unaware that state governments actually run public hospitals. I am a little surprised that you did not know that, Senator Marshall—but it is a bad day if you do not learn something new, I suppose, isn’t it? And you have learnt something new today. I think probably about 99.99 per cent of the rest of the population knew it. If you did not know it, well, you do now. And the bottom line with this is that you are going to put up to a million people back into the public health system. Have you allocated any funding for that?

The ACTING DEPUTY PRESIDENT (Senator Barnett)—Senator Ronaldson, I remind you to address your remarks through the chair.

Senator RONALDSON—Indeed. I apologise. The Australian Labor Party is going to put upwards of a million people into our public hospital system, which they are not prepared to put any further money into. And what did the Western Australian health minister say? ‘Not on your sweet Nellie! We are not interested,’ is what he said. ‘You put some money up to counter what is going to happen, and we will talk about it.’ This was not done with any consultation at all. One of the most fundamental challenges of any government is to make sure that the community has appropriate levels of health. That surely is one of the most basic things that everyone in this chamber is here for—to make sure that we provide a decent health system. Whether it is your side or our side, surely that is one of those basic obligations that we have as members of parliament. And what has been done under this measure? There was no consultation with the health department, no consultation with industry, no consultation with the very people who deliver the public hospital system in this country—the state governments, the state health departments—and you want to put a million people back into a system that you, Mr Acting Deputy President, and I know, and those in this chamber know, is already under significant stress. I cannot for the life of me understand what motivated this decision. I can tell you that, if the government reverses it, I will be the first one here to congratulate them, because this issue has got to be addressed.
Mr Acting Deputy President, the whip is quite rightly indicating to me that we want to get through this non-controversial legislation, and I accept that. There are a large number of bills to deal with. I thank the Senate for the opportunity to address this.

Senator MURRAY (Western Australia) (5.41 pm)—I am always a little alarmed when I hear senators say that the spending of about $1 billion should be considered non-controversial. I think the matters within the appropriation bills might well be highly controversial, but of course that does not necessarily mean the appropriations will be rejected. I understand what Senator Ronaldson meant, of course. He meant that the measure should be passed, not that it is without controversy.

As you know, Mr Acting Deputy President, I am speaking to the Appropriation Bill (No. 5) 2007-2008 and the Appropriation Bill (No. 6) 2007-2008, which are being debated cognately. These are known as supplementary additional estimates bills because they wrap up the appropriations for the 2007-08 financial year. Later next week we will be dealing with the appropriations bills for the coming financial year, 2008-09. The amount of appropriations that we are dealing with here today under Appropriation Bill (No. 5) 2007-2008 is $626,540,000 and under Appropriation Bill (No. 6) 2007-2008 is $501,897,000—a total of $1.127 billion, to be exact. That is an awful lot of money; however, all things are in perspective, and the over $1.1 billion we are discussing represents less than half of one per cent of the total funding needs for the government for the past year.

So now that we have some financial perspective on these supplementary additional appropriations, what can we say about them? Firstly, appropriation bills do not represent the real quantum of government expenditure every year, and it is good to remind the chamber and those listening that most appropriations in fact are standing appropriations which are already established through legislative bills establishing particular appropriations. The aggregate of those bills pass parliament once and then apply appropriations—in some cases into eternity, if you think about social security or pension measures. Well over 75 per cent of government funding, which is the vast mass of government funding, bypasses continuous annual parliamentary approval and oversight as it is channelled via standing appropriations through those individual bills.

One of the themes I have been developing in my time in this chamber, as the finance spokesperson for the Democrats, is that it is about time that the parliament paid more attention to what are known as standing appropriations. As a consequence of my campaign and the campaign of others the Bills Digest does indeed now highlight standing appropriations. The Scrutiny of Bills Committee does indeed now highlight standing appropriations. All that remains, really, is for individual senators to start paying more attention to them, because they do pay attention in the individual state but it is in their cumulative or aggregate state that you have to pay attention to them. And in aggregate you are probably looking at over $200 billion in standing appropriations which will not be subject to parliamentary approval this year because they have been previously approved in individual bills; they are merely recorded in the budget process.

Appropriation Bill (No. 5) appropriates sums additional to those sought through the appropriation acts Nos 1, 2, 3 and 4 from earlier this year. Appropriation Bill (No. 5) is for the ordinary annual services of government and it adds to the appropriation acts Nos 1 and 3. As I said earlier, the quantum of funds sought through this bill is approxi-
mately $626 million. Similarly, Appropriation Bill (No. 6) appropriates sums supplementary to those sought through the Appropriation Act (No. 2), which is not for the ordinary annual services of government, and is additional to appropriation acts Nos 2 and 4. This one is chiefly grants to the states under section 96 of the Constitution, payments to the Northern Territory, ACT and local government authorities, and funding of non-operating requirements in the form of departmental equity injections. The total amount appropriated in this bill is approximately $502 million.

Appropriation Bill (No. 5) and Appropriation Bill (No. 6) seek authority for supplementary additional appropriation from the Consolidated Revenue Fund, which is that vast pool of taxpayer money out there waiting to be spent in the current financial year to pay for government initiatives. The chamber would be aware that these appropriations are statutory expressions of the constitutional provisions which allow the government to spend money. In the case of the first appropriation bill the Senate may not amend but can, since 1901, request amendments; and in the case of the second bill the Senate may amend because it does not provide for the ordinary annual services of the government.

Appropriation Bill (No. 5) proposes supplementary ordinary additional expenditure under two broad themes, in part pertaining to election commitments by the Labor government. The first theme relates to increased funding for universities and the second theme pertains to increased funding for measures adopted under the Water for the Future program. The first component provides $500 million in 2007-08 to Australian universities as a contribution towards capital investment in five priority areas, including IT communications in research and teaching; laboratories; libraries and places to study; teaching spaces; and critical student amenities. According to the government this measure will begin to address past capital under-investment in these priority areas. Note the words ‘begin to address’. The government, and indeed the Senate, is cognisant of the sheer scale of investment needed to bring Australia up to being competitive with the leading countries in the world with respect to education. It should be noted that this capital investment includes investments in assets other than computers and the fit-out of buildings.

Increased funding for the Water for the Future program is segmented into five project areas within the bill, including the National Rainwater and Greywater Initiative. I note that in front of me is sitting Senator Lyn Allison, whom I regard as an expert in these areas. Hopefully, she will stand up and speak about a lot of things that need to be done in that area. The five component project areas are the National Rainwater and Greywater Initiative; the National Urban Water and Desalination Plan; the National Water Security Plan for Cities and Towns; Taking Early Action; and water efficiency, the Western Australian project, which I am very keen on.

Under the National Rainwater and Greywater Initiative, the government will provide $250 million over six years to provide rebates of up to $500 for up to half a million homes towards the cost of installing rainwater tanks or new piping for greywater use. I must say, from my own experience, a relatively small rainwater tank sure fills up quickly. You need many of them to really take what comes off your roof. Once again this is an example of new capital investment. The National Urban Water and Desalination Plan will provide $1 billion over six years for desalination, water recycling and stormwater harvesting projects in Australian cities with populations of over 50,000. This measure includes funding for a Centre of Excellence in Desalination Technology in Perth, a
Centre of Excellence in Water Recycling in Brisbane, the Glenelg to Adelaide Parklands Recycled Water Project and the Geelong Shell Water Recycling Scheme. I have always had the impression that Adelaide has been a leader in the recycling and stormwater harvesting area.

The National Water Security plan for cities and towns will provide $254.8 million over five years to work with governments and local water authorities to minimise water loss and invest in more efficient water infrastructure, refurbish older pipes and water systems and fund practical projects to save water. This measure will help reduce the impact of drought and climate change on Australia’s towns and cities. Taking early action brings forward $400 million of funding from 2011-12 under Water for the Future to accelerate investment in water savings infrastructure and to purchase water entitlements from willing sellers. Finally, the water efficiency Western Australia project will provide $35 million in 2007-08 brought forward from 2012 under the Water for the Future program to make an initial contribution to the Harvey water piping project in south Western Australia.

Appropriation Bill (No. 6) 2007-2008 proposes supplementary additional non-ordinary expenditure for a range of projects, including the following: the Digital Education Revolution program; ageing carers additional support program; funding to the Department of Health and Ageing for the upgrade of services, including improved facilities and services and medical training infrastructure, and additional funding to reduce elective surgery waiting lists; funding to the Department of Infrastructure, Transport, Regional Development and Local Government 2007-08 towards the development of feasibility and planning studies for projects to address urban congestion; and funds to provide Western Australia with ongoing compensation for the loss of its share of offshore petroleum royalty revenue as a result of the imposition of crude oil excise on condensate.

On that last point, the condensate bill has gone off to the Senate to be given a thorough and, hopefully, intelligent examination. They will report, I think, in August or September this year. On the face of it, my initial view is that the condensate incentive or concession has outlived its usefulness and its need. Although it is a very substantial reimposition of tax—I think it is $2½ billion over five forward years or something like that—it is probably time that it went. Without prejudging the eventual view of the Senate, I think it is probably a good option for the government to take. However, that is taking $2½ billion over the forward estimates period out of a company and out of enterprises based in Western Australia. I just remark that there is a compensation measure; however, I would expect much more.

Sitting in the chamber as I speak is Senator Glenn Sterle, who is a senator for Western Australia. He has a great interest in the Pilbara and shares my concern about it. He might not share my solution, but he certainly shares my concern. My concern is that the Pilbara produces a vast swag of Australia’s wealth through its exports and through its enterprises. But, if you look at the Pilbara, there is very little sign of that wealth on the ground. The social infrastructure is poor—you do not see the sort of social infrastructure that goes with places where great wealth resides. Think of a few of the wealthiest places in this country—the North Shore of Sydney, Noosa in Queensland, Toorak in Melbourne and those sorts of places—and compare the ovals, libraries, government amenities, pavements, shopping centres, restaurants, provision of accommodation and so on with what there is in the Pilbara, which produces much more wealth than they do; it is ridiculous. So my own feeling as a West-
ern Australian senator is that the Commonwealth should jolly well give us that money back. They are taking away $2½ billion. I would be satisfied with $1 billion being slapped into a social infrastructure fund for the Pilbara to allow us to get on with providing proper housing for the teachers, the police men and women, the public servants and the not-for-profit people who underpin and provide the stability that we need in regional and remote Australia and provide some substance behind that.

Senator Allison—And we won’t secede.

Senator MURRAY—I will take that interjection: Senator Allison says that, in return, we will not secede. I am not a secessionist, I must say. Yes, if that threat would work and in return we would get $1 billion, I would enjoy that. But I must say that the Commonwealth needs to be far more sympathetic, when it is establishing funds, not just to hard infrastructure—ports and roads and so on, which are all very necessary—but to what is known as soft infrastructure. That does not just mean education and health; it means the normal social infrastructure that cities should enjoy. So, with that pitch from me for my state, I will move on.

These bills again raise several questions as to the nature and suitability of the appropriations bills before us. I think it is important for me to continue to stress the fact that there is no resolution yet to the conflict between the Senate and the executive over the way in which appropriations bills are styled and the placement of the content of those bills. This is not me speaking as the finance spokesperson for the Democrats; this is me reflecting a Senate view—the unanimous view of the Senate Finance and Public Administration Committee and the unanimous view of the Senate Appropriations and Staffing Committee.

We need to remind ourselves, when we look at appropriations bills, that that compact that the Senate came to with the executive in 1965—and which is now a subject for continuing dispute—does need to be refreshed, resolved and reinforced. That compact was a consequence of the constitutional provisions and the Senate’s view as to how those constitutional provisions should be dealt with. One obvious emphasis of the compact is that new policies not authorised by special legislation are to be included in the second appropriation bill, which is subject to Senate amendment or rejection, and in this instance it would be Appropriation Bill (No. 6). These are important matters which the coalition, now they are in opposition, should turn their mind to again and not take the somewhat executive minded view that they formerly took. They need to take a more Senate minded view on these matters.

Over more recent years, several parliamentary committees and the Australian National Audit Office have identified a growing number of examples of expenditure measures that are incorrectly included in the appropriations bills reserved for the ordinary services of government. In what appears to constitute a significant departure from the Senate compact, recent ordinary annual services appropriations bills have included any expenditure measure, including new policies, that falls within an existing agency outcome. As a result, in a blatant disregard for budgetary propriety, recent ordinary annual services appropriations bills have included any expenditure measure, including new policies, that falls within an existing agency outcome. As a result, in a blatant disregard for budgetary propriety, recent ordinary annual services appropriations bills contained a somewhat bizarre list of significant government expenditure that could only be classified as new policies but which were being slipped through under the guise of being ordinary annual services provisions.

On several occasions the then President of the Senate and then Minister for Finance corresponded in an attempt to resolve this problem. I say to the Senate that the current
government with the current set of appropriations bills has still not addressed this problem. What is concerning is that this unresolved issue continues. That is quite simply unacceptable. There has been no change to the process for this series of appropriations bills. I would urge the government, the executive, the opposition and the Senate to tackle this issue with some vigour and to resolve the matter in the interests of proper harmony between the two houses and between the Senate and the executive.

Senator McGauran (Victoria) (6.01 pm)—This evening we are discussing Appropriation Bill (No. 5) 2007-2008 and Appropriation Bill (No. 6) 2007-2008. I heard previously my good colleague from Victoria Senator Ronaldson speak, and I would like to follow up and add to many of the comments he made in regard to the broader question of the Rudd government’s first budget. What Senator Ronaldson was saying, and what I am saying this evening, is that the first budget of a government really defines that government. As it defines the Rudd government, it defined us when we first entered government in 1996. It tells you what the government is all about. It tells you what the leadership is all about. It tells the Australian people where this new government is heading, where it is taking the economy, what its mettle is and what its competence is. So much is encapsulated in a new government’s first budget.

Heaven knows the Rudd government has had an extended honeymoon from the media in the gallery which is unprecedented, certainly in my time. Even with the Hawke, Keating and Howard governments, the press gallery never indulged a new government as much as they have the Rudd government. Even with that extended honeymoon, the handing down of the first budget requires scrutiny from the press gallery. You can run, but you cannot hide. The first budget is where the scrutiny really starts. That was the case with the coalition when we came into government in 1996. The budget set down by the Howard-Costello leadership was the template that served us so well for our 11½ years in government and for our 11 budgets. It defined the coalition in 1996; we were defined there and then. It was a tough budget that required a great deal of discipline not just from the Treasurer and the cabinet but from all the new members of that government. As exciting as it was, I do recall in the early times that the call upon our discipline and the acceptance of the need for some of the tough decisions made in 1996 certainly took the honeymoon out of our entry into government. But we knew then that we were laying down the foundation stone of a decade of economic growth. We knew that if we did not act there and then in our first budget we would lose an opportunity. So that budget was the foundation stone of record employment rates, record low unemployment rates, low taxes and an economic and social dividend for families. Of course, it laid the foundation stone for reforms in different portfolios and departments, none more so than in communications, education and health.

To put it in perspective, as every new government comes in, they have to look at the legacy the previous government has left. I suppose Malcolm Fraser had the worst legacy coming in following the Whitlam government, but when we came into government in 1996 we had the legacy of a $10 billion deficit that was covered up by the previous government. They told us they had a surplus. We were left the legacy of an unacceptable unemployment rate, an unacceptable inflation rate and an interest rate which may have averaged around five per cent, as it did in the decade of the previous coalition government, but which peaked at phenomenal levels that, a generation on, we cannot even contem-
plate—that is, 17 per cent for home loans and over 20 per cent for business loans. These were the challenges we had to face when we first came into government and had to lay down our first budget. If we had not taken the hard decisions by making the budget cuts, setting down the plan to bring the budget into surplus in the first cycle, setting down a regime of debt reduction generated by privatisation and getting all the finances in order, then we could never have taken on the reforms and strengthened the economy for the future and for the future shocks that inevitably come to any government, such as the one we received in our first term with the Asian economic meltdown.

I think the first budget is any government’s toughest budget, but I can say this about our first budget: we did not shirk it. We were not weak. We were not muddled. We knew exactly what we were putting into place. I give that background to highlight, as I mentioned, how crucial the first budget is. I will just quote some very proud figures at a point 11½ years on from laying down that first budget of the previous government. They are figures that cannot be disputed. They can be left out of the new government’s rhetoric, and the new government may want to fraudulently represent them, but the truth of the matter is that they are down after 11½ years for those who want to know the truth. As this government should and will find out, all policy making and decisions funnel down to the simple question of jobs; that is the most important thing a government can deliver. When you look at health, education, industrial relations and the sheer management of the economy—both macro and micro—it is all about getting jobs for the Australian people so they can live decent lives, achieve their ambitions and achieve a lifestyle for their children. That is what it is all about. I am happy and proud to say that the previous government achieved record low unemployment rates and record low long-term unemployment rates, and created, on top of that, over two million jobs.

If I just left the figures there, that would be enough, because, as I said, all decisions are woven into this one end result. But, of course, that was all achieved because of the economic discipline of the previous government, with low interest rates and low inflation rates over the cycle, and tax cuts for Australian families and individuals. Eighty per cent of Australians were paying 30c or less in the dollar. These are some of the proud figures that I am able to quote from the previous government’s record because of the first budget and the consequent budgets. But if you do not get the first one right it is playing catch-up football. That is what we are playing here today. It will not surprise you that this is exactly what I am leading up to in regard to the Rudd government’s first budget. They were left with the legacy of a strong economy where all the structures of reform were in place. It was a pretty lucky inheritance—luckier than we had.

Moreover, coming into government, Mr Rudd set his own benchmarks for the first budget and for his first term in government. Mr Rudd told the Australian people that he was going to bring down grocery prices, bring down petrol prices, make housing more affordable, help working families, fight inflation and keep the economy strong. These were his own benchmarks. Yet, on budget night—the defining moment of this new government—he let the Australian people down. First of all, he appointed Mr Swan, the nervous man, as Treasurer. That was the first point at which he let the Australian people down. But the substance—what was written into the budget—let the Australian people down too. All the spin and hyperbole pre-election—post election, even—led up to a budget that amounted to naught. The budget failed every single test: the test against the
legacy that the previous government left them and the test and benchmarks that Mr Rudd set for his own government. It was a muddled, rudderless budget, and it reflected just the type of government that we are going to get over the three years of their first term. This is what we can now expect. If they fail the test here, do not think that they are going to make a second budget any better or with any more integrity than their first.

They are what we know now as old Labor—big spending, high taxing and not meeting their commitments. I know they go around making a song and dance in regard to meeting their election commitments. The truth is, they are not meeting their election commitments and the real promises that they made the Australian people. They have not cut government spending. In fact, it has increased by over $14 billion. They made some cuts all right—they cut $15 billion of coalition programs so that they could replace them with over $30 billion of their own programs. They seek to introduce a policy in regard to fuel prices—Fuelwatch. We are all well aware of the controversy over the last few weeks surrounding that. On the advice of four departments, including no less than that of Treasury itself, this price-fixing scheme—and that is what it is: old-fashioned price fixing—will put prices up, not put them down. That is on the advice of four departments.

The government set up a grocery inquiry. That was their idea of tackling the grocery price problem. Yet, by sleight of hand or slap of hand, at the same time, they sought to introduce into this chamber—and no doubt they will do it again after June 30, when we lose the majority—a road user transport charge on trucks. That is, in plain language, a 1.5 per cent increase in the diesel tax on trucks, which is indexed—the return of the old indexing of fuel! The obvious cascading effect of this—let alone the effect on the small businesses and the truck drivers that drive around this country delivering the groceries—is an increase in prices on supermarket shelves, and an indexed increase in prices at that.

The Labor government introduced an array of taxes in this budget. We never saw that coming. We saw the tax cuts coming because we were the ones who set it up for you. We knew the ‘Costello tax cuts’ were coming—the biggest income tax cuts in the history of Federation. We were probably not too sure if you would actually commit yourself to that, but you did. But no-one saw the tax increases coming. You did not say anything about it before the election. Of all aspects of the budget, this part reveals what we can expect in the future from this government. It is the part that really took my breath away. You actually increased an array of half a dozen or so taxes!

The most significant was of course the $3.1 billion on mixed drinks—the so-called alcopops tax. This was dressed up falsely as a health measure designed to tackle binge drinking. That is how you sold it. But why then would the budget papers show an increase in that tax over the next four years if you thought it would actually reduce alcohol use? It was a tax grab.

Another hidden item buried very deep in the budget papers is the $2.5 billion tax grab on condensate, which is a light crude oil from the North West Shelf. And it is the Western Australian consumers who will feel the cascading effect of this $2.5 billion tax grab. They never saw that coming. We have a Western Australian here with us in the chamber: Senator Judith Adams, who I know only too well. Perhaps Western Australia knows the legacy of Labor governments because at the last election it was a state that just simply would not swing to the Rudd phenomenon. They were too smart for that.
And what reward did they get? New taxes on their fuel.

Labor abolished over $1 billion worth of small business programs. Those programs were designed to create investment and employment. You do not get near-full employment without supporting small business and their ability to employ people. Small business is where the growth in employment is—it is not at the big end of town—and you have now slashed $1 billion off the small business programs of the former government.

But, without doubt, the most callous item buried in the budget papers is the utter abandonment of the goal of full employment, which the previous government had. In fact, the budget papers talk of unemployment increasing by over 100,000 people. In such strong economic times and with such a great legacy left to them, Labor, in their first budget, is actually conceding an end to the goal of full employment and conceding that unemployment will increase.

Every commentator has concluded that this budget is a wasted opportunity but, most of all, the Australian people have. The Australian people have without doubt judged this budget to be a lost opportunity. Business and investment confidence has slumped and consumer confidence is at a 15-year low. There is very little confidence that you can tackle the domestic concerns and, of course, the international concerns, which are still rolling in. As the previous Treasurer said, ‘They will roll in like a tsunami.’ And there are more to come; we are all quite aware of that. There will be more international unrest that will affect this economy. Australian consumers, whose confidence is at its worst for 15 years, have now passed judgement on this government’s first budget.

It is not that they do not have a plan. They do have a plan for the future in two particular areas. The first one is to return the unions, front and centre, to power in the workplace. Secondly, they want, of course, to get themselves re-elected, and to this end they have established a $40 billion slush fund.

Senator Sherry—it is your Future Fund.

Senator McGauran—I am talking about the Infrastructure Fund, the future building fund that has no governance and no investment or management criteria over it at all. So this government’s plan is to return the unions, front and centre, to power in the workplace—they already have power within the Labor government—and, of course, to get themselves re-elected.

This budget is a failure. From here on it will be catch-up football. They have now spelled out the type of government they are going to be and it is a great disappointment that they conned the Australian people to get into government. (Time expired)

Senator Allison (Victoria—Leader of the Australian Democrats) (6.21 pm)—I rise to speak about Appropriation Bill (No. 5) 2007-2008 and specifically about three measures in that bill, three key expenditure items to do with urban water. As Senator Murray says, I have a longstanding interest in this. I chaired and initiated the inquiry into the management of urban water, which reported in 2002. Those expenditure items are, as Senator Murray said, funding of $500 for up to 500,000 homes to have rainwater tanks, funding for a National Urban Water and Desalination Plan and funding for a National Water Security Plan for Cities and Towns—an election commitment. I congratulate the government on this initiative. Indeed, setting plans and proposing expenditure, and a national concept, were certainly central to the recommendations we made in our inquiry back in 2002. However, I will presume to give the government some advice this evening, and that is that this is not just a set of
projects but rather should be developed as long-term, serious, visionary, national strategies and principles. This was certainly part of the recommendations that we made.

Since that report in 2002, a very important document has been prepared and produced called Our water mark. It began in 2001 as an initiative of the Victorian Women’s Trust and was financed with two grants from the Myer Foundation, followed by a number from a group of private donors. That produced a document called Our water mark, as I said, which was released in July last year. It is a world first in the way that people across the broad community have been able to engage in and consider a major national resource issue that must be responded to and soon. It is long term and it is visionary.

Our water mark describes the water situation that is facing many parts of Australia as a crisis that must be responded to by governments and citizens and proposes a national goal: water efficiency in every action and activity that is undertaken. After achieving that, it says that we should then move to super water efficiency. It points to some very harsh realities that we face in this country. Our rainfall and stream flows are highly variable, and that variability will increase with predicted climate change. Over the last 120 years, government responses to this variability lay in the building of nearly 500 large dams to achieve water security for cities and rural enterprises. Most of our suitable catchments and river systems have now been dammed. Projected rainfall decline along the eastern seaboard suggests that the construction of more dams will not guarantee water security.

Coupled with that, our water use has been increasing. Since the mid-eighties, we have been ramping up our water use both in agriculture and in our cities. In just 13 years between 1983 and 1996, water use increased by 67 per cent. It has since levelled off, driven by the past decade of low rainfall. We are one of the highest water users per capita on earth. According to ABS statistics for 2004-05, an average family of four is likely to directly consume over 1,100 litres of water per day, every day of the year. Business and industry in Australia use significant amounts of water. Service industries are emerging as major water industries. The same report indicates that they account for 1,041 billion litres—that is, gigalitres—compared with mining and mineral processing and manufacturing, with 397 and 541 gigalitres respectively.

This document points out, as did our report, that we have been very slow to capture and use stormwater in our cities. While the size of Australian cities has steadily increased, the use of stormwater has been largely overlooked for two generations. In fact, the volume of urban stormwater run-off is only slightly less than the total volume of water consumed by households. For the cities of Brisbane, Sydney and Melbourne, this estimated volume is 1,285 gigalitres in an average year.

I say this because I want to point to the first item that I mentioned—that is, the $500 rebate for up to 500,000 homes in Australia, and I think that is over a period of some years. What that means is that one in 14 households will get a water tank. I want to point out tonight that, whilst this is a good start and I know that some of the states also have rebates, we have a very low uptake so far of water tanks, and this is not going to make a huge amount of difference to that. We need a visionary target which says that even 50 per cent would not be adequate in terms of storing stormwater on site.

We have also been very loath to reuse waste water, and this is extraordinary for the dry continent that we are. In Australia, 86 per cent of effluent water is unproductive. Syd-
ney alone discharges 450 gigalitres of barely treated sewage to be pumped into the ocean. Melbourne discharges 360 gigalitres of treated sewage into Bass Strait and Port Phillip Bay. And, across Australia, recycling of available waste water from cities is very low: Sydney, 2.3 per cent; Melbourne, two per cent; Brisbane, six; Adelaide, 11.1; Perth, 3.3; and Hobart, 0.1 per cent.

The future supply of adequate water for our city populations will present some very significant challenges over the next two or three decades. Except for Perth and Adelaide, most of the fresh water used in our cities is surface water. With the effects of climate change, the volumes of surface water available to all cities other than Darwin and Hobart are predicted to decline very significantly, so there is a need for rapid repositioning in response to climate change.

The south-east of Australia is now included in the United Nations list of the top 10 global water hot spots. That listing is based on predictions of major climate change in our part of the world, including substantial reductions in the frequency of rainfall events, reduced surface water running into our storages and more hotter days each year so that the land is a lot drier and at greater risk of bushfires. In addition, this part of Australia produces nearly 80 per cent of the food required by our city population, so it is critically important.

We need nothing short of a revolution in our thinking and practices around water efficiency, and we need to start this dramatic turnaround right now. The expectation is that an additional five million people will locate into our capital cities by 2030 and will put an unprecedented pressure upon existing sources of fresh water. If our cities and communities are to position themselves for this impending change in climate, we will need to embrace water efficiency in every single action that we carry out.

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Order! It being 6.30 pm the Senate will now suspend for a dinner break. Senator Allison, do you wish to incorporate the remainder of your speech?

Senator ALLISON—Thank you, Mr Acting Deputy President. I ask that the remainder of my speech be incorporated in Hansard.

Leave granted.

The remainder of the speech read as follows—

As in energy, there is great scope for efficiency in water use. I am pleased to say the Democrats negotiated a water efficiency labelling system for appliances some years ago and consumers are already using their buying power to drive change. The deal was that the star rating system would soon be the basis for a minimum standards system to continuously improve that efficiency. We are still waiting for that to happen and, for the sort of revolution I am talking about, it needs to go beyond whitegoods and into industrial processes, indeed every application in which water is used.

As the Senate urban water inquiry discovered, Australia urgently needs nationally consistent regulations and codes and a concerted effort to remove the considerable bureaucratic barriers to change.

Technology is not the problem. New technology brought in dual flush toilet cisterns at least more than 20 years ago but nearly 30 per cent of houses still don’t have them. The real gains could be made with new highly efficient toilet pans but they are also marginally more expensive so developers opt for cheaper versions. For little more than the $500 proposed for rebates on water tanks old toilet pans and cisterns could be replaced with highly water efficient systems.

Low flow shower heads have been available for ages but some are not as effective as others and the takeup is still very slow. Domestic scale grey water recycling units are being powered by solar units.
Our Water Mark calls for accreditation for shower roses, mandated pressure reduction valves, regulations minimising dead space between the domestic and industrial hot water services and the main area where water is used, fitting dead-space water valves and putting in squat taps in commercial and public buildings.

Properties put on the market could be required to be retrofitted and building owners given incentives to make the change.

We need an agreed timetable between state, local and federal governments for retrofitting households, business precincts and industrial areas, financed by specific purpose loans from the Commonwealth.

Progress needs to be rigorously measured and reported.

Less than 10 per cent of households have rainwater tanks and the Government’s $500 rebates for 500,000 household water tanks would only add another 14 per cent or so. We need to be bold and set targets that are much higher.

I was astounded at the 2020 Summit to be told by our facilitator that rainwater tanks were less energy efficient than desalination plants and should therefore not be contemplated. As far as I can see this is arrant nonsense. Rainwater does not need to be treated when it’s used in the toilet or the laundry and small solar powered pumps can be easily and cheaply installed.

I am disappointed that the government is giving the nod to desalination, through its desalination centres of excellence, as the answer to shortages of water that are due in large part to our profligate waste of high quality water. We should focus instead on efficiency, reuse and onsite collection of rainwater to serve the needs of a growing population instead of going down this environmentally dangerous path. Over $3 billion is being wasted spent on a desalination plant in Victoria – money that if spent on $500 rebates to collect rainwater would provide incentives for six million tanks making all households much more self sufficient in water.

Stormwater could be collected in back yards, industrial estates and basements. City buildings could replace a few carparks with huge tanks and capture stormwater for use again and again in testing their fire sprinkler systems rather than waste potable water on this exercise.

Huge rubber bladders could be laid down in river beds put under houses and even concrete slabs to store rainwater.

Dual pipe systems could deliver treated waste water to gardens and industrial processes – it already happens in some parts of the country but so much more could be done.

The National Water Security Plan for Cities promises to invest in infrastructure, refurbish older pipes and water systems and to fund practical projects to save water but $50 million a year for 5 years is a pitifully small amount for such an ambitious agenda. It’s less than $10 for every man, woman and child in the country and given the state of some of our century old pipes, won’t go far. Again, I fear that this will be a series of projects here and there that don’t amount to much.

Our Water Mark calls for governments to go on a war footing. If just half as much had been spent countering the water crisis as has been spent in the war on terror we would be well on the way to solving this problem. We need an army of plumbers and engineers who know how to do this work. So far a pitifully small number of these important people have the knowledge or the skills to lift us out of this mess.

Water shortages and global warming are potentially far more dangerous than any threats so far from terrorists in Australia.

I urge the government to do more than engage in tokenistic, vote winning packages of measures. This is serious and like greenhouse abatement national leaders must act quickly and decisively.

Sitting suspended from 6.30 pm to 7.00 pm

WHEAT EXPORT MARKETING BILL 2008

WHEAT EXPORT MARKETING (REPEAL AND CONSEQUENTIAL AMENDMENTS) BILL 2008

Consideration resumed from 17 June.
In Committee
WHEAT EXPORT MARKETING BILL
2008
Bill—by leave—taken as a whole.

Senator MINCHIN (South Australia) (7.00 pm)—by leave—I move amendments (1) to (9) on sheet 5488 on behalf of Liberal senators, not strictly on behalf of the opposition. I have circulated them and I would like to speak to those amendments as a whole.

(1) Clause 3, page 2 (line 14), omit “responsive to”, substitute “advances”.

(2) Clause 5, page 6 (after line 10), after the definition of foreign law, insert:
individual producer means a wheat producer who deals solely in wheat which that individual producer has grown himself or herself.

(3) Clause 7, page 9 (after line 7), after subclause (1), insert:
(1A) Notwithstanding subsection (1), an individual producer may export wheat provided that it is wheat produced by that individual producer.

(4) Clause 15, page 18 (lines 27 to 30), omit subclause (2), substitute:
(2) Paragraphs (1)(c) and (d) do not apply:
(a) to the export of wheat in:
(i) a bag; or
(ii) a container;
that is capable of holding not more than 50 tonnes of wheat; or
(b) to an individual producer exporting wheat produced by that individual producer.

(5) Clause 21, page 25 (lines 19 to 22), omit subclause (3), substitute:
(3) Paragraphs (2)(a) and (b) do not apply:
(a) to the export of wheat in:
(i) a bag; or
(ii) a container;
that is capable of holding not more than 50 tonnes of wheat; or
(b) to an individual producer exporting wheat produced by that individual producer.

(6) Clause 22, page 27 (lines 26 to 29), omit subclause (4), substitute:
(4) Paragraphs (3)(a) and (b) do not apply:
(a) to the export of wheat in:
(i) a bag; or
(ii) a container;
that is capable of holding not more than 50 tonnes of wheat; or
(b) to an individual producer exporting wheat produced by that individual producer.

(7) Page 69 (after line 3), before clause 87, insert:
86A Operation of certain State and Territory laws
(1) In this section:
corporation means a trading corporation formed within the limits of the Commonwealth.
sale contract means a contract for the sale of grain or for the growing of grain and the sale of the grain, being a contract to which a corporation is a party and which is entered into by a corporation in the course of, or for the purposes of:
(a) the export of the grain; or
(b) trade and commerce:
(i) among the States; or
(ii) between a State and a Territory or between Territories; or
(iii) within a Territory.
service contract means a contract, agreement or arrangement for the storage, handling or transport of grain for a corporation, being a contract to which a corporation is a party and which is entered into by the corporation in the course of, or for the purposes of:
(a) the export of the grain; or
(b) trade and commerce:
   (i) among the States; or
   (ii) between a State and a Territory or between Territories; or
   (iii) within a Territory.

*State or Territory enactment* means:
(a) a State Act; or
(b) an enactment of a Territory; or
(c) an instrument made or issued under such an Act or enactment.

(2) A sale contract or a service contract is not rendered unlawful or unenforceable by any prescribed State or Territory enactment.

(3) A party to a sale contract or a service contract does not incur any liability, penalty or forfeiture under a prescribed State or Territory enactment by virtue only of having entered into the contract.

(4) Nothing in any prescribed State or Territory enactment operates to prevent a party to a sale contract or a service contract discharging obligations under the contract according to the terms of the contract.

(5) In the case of a sale contract, nothing in any prescribed State or Territory enactment operates to prevent the property in the grain passing to the purchaser according to the terms of the contract.

(6) A person who, under a contract (including a contract of service), agreement or arrangement with a party to a sale contract or a service contract, does anything on behalf of that party in the discharge of an obligation under the sale contract or the service contract, does not incur any liability, penalty or forfeiture under any prescribed State or Territory enactment by virtue only of having done that thing, and the contract, agreement or arrangement between that person and the party is not rendered unlawful or unenforceable by any prescribed State or Territory enactment.

(7) A corporation does not incur any liability, penalty or forfeiture under a prescribed State or Territory enactment by virtue only of storing, handling or transporting grain for a purpose referred to in the definition of service contract in subsection (1).

(8) Nothing in any prescribed State or Territory enactment prevents a corporation storing, handling or transporting grain for a purpose referred to in the definition of service contract in subsection (1).

(9) A person who, under a contract (including a contract of service), agreement or arrangement with a corporation does anything for the corporation in, or in connection with, the storage, handling or transport of grain by the corporation does not incur any liability, penalty or forfeiture under any prescribed State or Territory enactment by virtue only of having done that thing, and the contract, agreement or arrangement between that person and the corporation is not rendered unlawful or unenforceable by any prescribed State or Territory enactment.

(10) Nothing in any prescribed State or Territory enactment operates to prevent a party to a contract, agreement or arrangement referred to in subsection (6) or (9) discharging obligations under the contract, agreement or arrangement according to its terms.

(11) Subsection (5) does not affect the rights of the holder of a security over grain for money owing.

(12) Subject to subsection (13), a reference in this section to a prescribed State or Territory enactment is a reference to:

(a) a State or Territory enactment declared by the regulations to be a prescribed State or Territory enactment for the purposes of this section; or
The first amendment on our sheet goes to the issue of objectives. As was known to the government, Liberal senators on the very good inquiry that was conducted into this bill, which again highlights the virtue of Senate committees of inquiry, noted that there was no objects clause at all, which is unusual, and the government in its wisdom inserted an objects clause. We support that objects clause in every respect but one, and I will detail our objection. It refers in clause 3(a) to the objective of promoting ‘the development of a bulk wheat export marketing industry that is efficient, competitive and responsive to the needs of wheat growers’. The effect of amendment (1) is to delete the words ‘responsive to’ and insert the word ‘advances’, because we believe that this act should not simply be about responding to the needs of wheat growers but be about advancing their needs. It should be seen as much more proactive in its objectives—that this is an act about advancing the needs of wheat growers. So that is amendment (1).

Amendment (2) on page 6 of the bill is a definitional amendment that is required as a result of our view that this bill, as outlined again by Liberal senators in their very good comments on the report, should not prevent individual wheat growers, whether incorporated or not, from selling their own wheat in bulk, and therefore we need in the definitions clause a definition of ‘individual producer’, and that is the effect of amendment (2).

Amendments (3) to (6) relate to this proposition of ours, which I am delighted to say has the support of the National Party—as do all, as I understand it, and as do, I hope, our amendments tonight—and gives effect to the wishes and recommendations of Liberal senators in the Senate committee report that individual wheat growers should not have to undergo the full accreditation process in order to directly sell in bulk their own wheat to a third party. They articulated the virtues of that, and we do not believe that the bill should be structured in such a fashion that it makes it very difficult for individuals. I know that the government says, ‘If an individual incorporates then they can get accreditation and then they can be part of this bill.’ We do not believe that an individual wheat grower who wants to sell his or her own wheat in bulk should be subject to those sorts of requirements. There is no fundamental philosophical or policy requirement for that to occur and therefore we seek to move amendments (3) to (6) to give effect to those propositions. They are all of that kind—in other words, ensuring that an individual producer, for example in clause 4, exporting
wheat produced by that individual producer is exempt from the other requirements of the bill in respect of accreditation et cetera. So they are amendments (3) to (6), which we commend to the Senate.

Amendment (7) is simply to take from previous acts governing the export of bulk wheat a very important clause which relates to the, as it says, operation of certain state and territory laws. It has long been the case that, under the Commonwealth regime governing the export of bulk wheat, these provisions have been in place to ensure that no state or territory laws can interfere with or subvert the performance of contracts involving the growing, storing and transport of wheat. We have simply proposed that we take those provisions from previous acts and insert them in the new act. We do not quite understand why they have not been there and we believe it is important that it is made explicit in this act that state or territory laws cannot interfere with the proper implementation of the federal regime in a way that has always been the case with respect to the governance at a federal level of the export of bulk wheat.

Finally, our amendments (8) and (9) go to the issue of the proposed review of the legislation. We are pleased that the government has put in place a proper review regime in the bill. It currently provides that before 1 January 2011 the Productivity Commission must begin to conduct a review. I am delighted to see that the Productivity Commission has not been completely locked out of the business of review and analysis by this Labor government, and the government has acknowledged the proper place of the Productivity Commission in this sort of legislation. While we strongly support their role and the need for a review, our amendments seek to specifically provide that the review by the Productivity Commission commence on 1 January 2010 and conclude by 30 June 2010.

We do think that it is important to put specific start and finish dates in this review. The dates provided for in our amendments will ensure that there are two full wheat growing seasons upon which the Productivity Commission can base its review—that is, between the start of this legislation and the start of the review. The amended dates that we are proposing would then provide ample time in which to amend the act in any way that was recommended by the Productivity Commission and accepted by the parliament. So you could get those amendments in place by the end of 2010 and growers could then operate on the basis of any amended legislation for the 2011 season. That date also allows for a comprehensive and early review of the activities of the bulk handling companies, which I know is a matter of concern for some in this chamber, to ensure that advancing the needs of growers is also the net effect of the activities of the bulk handling companies.

We will be closely monitoring the impact of this legislation on growers, and we want to know that the formal review process will be completed on time so that any refinements or amendments can be made in such a way as to facilitate grower certainty. So that is our package of amendments. As I say, we by and large support the bill. These amendments are not fundamental but we do believe that they improve the bill and put the focus much more on the needs of individual growers. The changes to the objects clause provide for individual wheat producers to export their own wheat in bulk, translate into the act those standard provisions with respect to the operation of certain state and territory laws and refine the specifications of the review. I commend the Liberal senators’ amendments to the chamber.
Senator Joyce (Queensland) (7.09 pm)—From the outset, in discussing the objects, I believe that this bill neither responds to—as it certainly ignores the overwhelming view of Australian wheat growers—nor advances the position of Australian wheat growers. I cannot see how we can claim that it is responsive when it does not actually acknowledge the overwhelming sentiment of Australian wheat growers, who do not want to lose the single desk. They do not want to lose it because they believe losing it will not advance their position.

It is well and good to talk about individual producers, but we have to find out the full proposition with regard to their access to ports. There has been some conjecture as to whether, if this goes through—and I do not want it to—some individual traders will have access to ports, and the proposition with regard to individual producers I imagine falls into the same category.

I also seriously query the technical capacity of this act in regard to some of the major exporters who currently have agreements pertaining to ownership of ports—I specifically refer to ports in Melbourne. I query whether this act, as it currently stands, is technically correct or whether it has a fundamental flaw in its drafting. I specifically refer to whether the AWB will have clear and unambiguous access to their port. I understand that, although this is a technical inadequacy in this bill, we can live with that technical inadequacy until a later date, but I call into question the competency of a government that would put forward a piece of legislation that has a huge and gaping hole in the middle of it. This is an issue that I think has not even struck a feature tonight. It is amazing.

Not only are we about to vote on a bill that is technically inadequate, but no-one has proposed an amendment to fix that inadequacy up. That is something that I find peculiar in the extreme. I know for a fact that there are people running around this building tonight desperately trying to fix this hole. Now we arrive in the chamber to vote on it and, rather than fix the hole, we have just forgotten that the hole ever existed. I would like to clearly put on the record that I and the other National Party members do not support this in any way, shape or form, although it is a matter of conjecture where voting on every issue would lead. It is quite clear and apparent that this bill is neither responsive to nor advances the issues of growers. It is technically inadequate in its drafting, it comes here as a pack of toilet paper tickets and now we are going to vote on it and we are all going to look sombre and perplexed as we go forward with a piece of legislation that we know in the end has a huge, gaping hole in it that no-one wishes to talk about.

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (7.13 pm)—I will make what is likely to be a preliminary response. Firstly, we are debating the amendments as a whole. Some the government will be supporting, others we will be opposing. Perhaps we will put them in two groups.

The first amendment—and I am hesitating because I am about to say ‘opposition amendments’; I am not sure whether they are amendments on behalf of just the Liberal Party—

Opposition senators—The Liberal Party.

Senator Sherry—It is just the Liberal Party. I did not want to suggest that the National Party are supporting the amendments, given that you have different positions.

Firstly, in respect of the first amendment as to the objects, I indicate the government will be supporting it. The use of ‘interests’ rather than ‘needs’ is a more positive expres-
sion of intent to improve the situation of growers. The use of ‘needs’ implies a basic level, whereas ‘interests’ is broader and more proactive. It is a bit like the use of personal needs versus personal wants. We will be supporting the first amendment.

My next comments go to amendments (2), (3), (4), (5) and (6), which we will not be supporting. They go to definitions—‘individual wheat producer permitted to export’, ‘grain receivals’, and ‘individual wheat producer permitted to export’. The government has consulted extensively on the legislation, including those handful of growers who are large enough to be able to supply a hold in a bulk export ship. The government has been assured by those growers that the particular amendment that the Liberal Party has presented is not necessary. The government accepts that growers who are large enough to participate in the bulk export market prefer to operate as companies for risk management purposes. The legislation as it currently reads does not prevent individuals from applying for accreditation. The government is also concerned that allowing individuals to escape the accreditation provisions would create a major compliance difficulty for Wheat Exports Australia. The WEA would have to put in place a rigorous compliance and monitoring regime to assure itself that a grower is exporting his own wheat and not that of any other individuals. This compliance problem would create additional costs which would be passed back to growers. Whilst the government is sympathetic to the argument, the government does not support this particular amendment, on the basis that individuals are not prevented from exporting. In practical terms very few if any growers will be affected. Those that are required to seek accreditation are not concerned about that, and the cost of compliance would be a burden passed back to other growers through the accreditation schemes.

Amendment (7) goes to the operation of state and territory laws. ‘Transport WA’ might be the correct title to give to amendment (7). The government will be supporting it.

Amendments (8) and (9) go to the Productivity Commission review. The government will be supporting them, but I will put on the record some remarks about amendments (8) and (9). The start date of January 2010, as proposed, will mean that only one crop will have been marketed since the new laws will have taken effect and only two crops will have actually been harvested, as crops are harvested from October to January each year. This will mean that the review will not be able to make judgements about the effectiveness of the ACCC access test provisions which commence in October 2009. The Productivity Commission could make some observations about storage and handling, but they would be unable to make firm judgements about the full effect of the legislation in relation to marketing of the crop. Therefore having the review too early will deny the Productivity Commission the benefit of being able to make proper judgements and in all likelihood will only result in the need for another review.

The Liberal opposition have argued that the January 2010 start date is necessary to ensure a ‘fair dinkum’ review. But the effect of the amendments is actually that it would ensure that the review would not be ‘fair dinkum’, for the reasons that I have already stated. The government would consider a review with a start date which allowed the Productivity Commission the benefit of being able to consider the effect of at least one season of marketing a crop, and therefore a start date of July 2010 and an end date of January 2011 would be acceptable. Having considered the issue, to those comments I add that we will support the amendments.
They are all the amendments we have before us. An issue has been raised by Senator Joyce. Firstly, I have to make the point that this is a matter on which, I understand, the Australian Wheat Board has been making representations to some members of parliament very recently. It is a matter that has come to the government’s attention only very recently and it has been considered. The government does not believe that the change that is being suggested by the AWB, as suggested by Senator Joyce, is warranted. The issue that has been raised by the AWB is a commercial matter between the joint venture partners. It is unreasonable to assume that a joint venture partner who relies heavily on access to a port terminal facility would have no control over its operation. Therefore the Labor government believes it should be resolved between the partners themselves. It is not up to the government to intervene by legislation in what we see as a commercial issue. To allow an accredited exporter with a significant interest in a port terminal facility an exemption from the access test would undermine the integrity of the scheme; therefore there is no amendment before the committee and the government has not proposed an amendment. But I have made those comments in response to the issue raised by and the comments made by Senator Joyce.

Senator MINCHIN (South Australia—Leader of the Opposition in the Senate) (7.21 pm)—I want to respond to the government’s elucidation of their position on our amendments and welcome the government’s support for most of our amendments. I note with respect what the government have said on the review, but I think that, from the point of view of growers—and we know, as I was able to experience earlier in the week, there are some growers who are not happy with this—a review at the time that we have proposed does make a lot of sense. Ensuring, for their confidence, that this will be looked at at an appropriate time is important. It may well be that further reviews are required—I am sure they probably will be—in order to ensure that Australian wheat growers are satisfied with the continuing operation of this new system, but I do not think that is a reason to further delay the review as proposed.

I am disappointed that the government are not able to accept our amendments with respect to individual wheat growers. We do not accept their arguments. We do think individuals should be able to market and sell their own wheat without having to comply with this regime, and we will be pursuing those amendments.

With respect to the matter Senator Joyce raised and to which Senator Sherry responded, from the point of view of Liberal senators we think this is a matter for the government. We are not at this stage persuaded—as, it appears, is the government, from Senator Sherry’s remarks—that further amendments are required. I am certainly sympathetic to the arguments put by Senator Sherry that this is a matter between the joint venture partners. It is a commercial matter for them, and we are not persuaded that further amendments are required.

However, can I say to the chamber that, from a procedural point of view, if the government does not accept our amendments with respect to individual growers and the chamber nevertheless passes those amendments, the bill will inevitably have to go back to the House of Representatives, where the government will have to consider its position on the amendments made by the Senate that it does not agree with. That would be an opportunity for the government to further consider this matter if it so chose. Then of course the bill will have to come back to this chamber, where this chamber will have to decide what its position will be on the amendments in the event that the govern-
ment indicates in the lower house that it is not prepared to accept those amendments. So I suspect we will be talking about this bill once more next week—through you, Mr Chairman, to Senator Joyce. In the meantime, the government will have the opportunity to further consider its position with respect to the joint venture matter. But certainly at this stage, it is the position of Liberal senators that we concur with the remarks of Senator Sherry on that matter.

Senator JOYCE (Queensland) (7.24 pm)—I understand completely the tactics. We certainly want the ability to ventilate this issue further. I personally would support amendments that I think are not so much non-controversial as inconsequential, but they are consequences only in that they make the issue go to the other place and then return here. I understand that completely. However, I ask this question of the government: did you consider an amendment to deal with the issue that pertains to the obvious technical inadequacies of the bill in dealing with the access regime between AWB and the Melbourne port?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.25 pm)—Firstly, in respect of Senator Minchin’s analysis, having been in this place long enough I accept the Realpolitik that he outlines. Secondly, Senator Joyce, I have already indicated that the government have considered the issue. I have indicated our position: we do not believe that an amendment is required. It is a commercial decision between AWB and the Melbourne port.

Senator JOYCE (Queensland) (7.25 pm)—In considering the issue, did the government draft an amendment but decided, after receiving advice, not to proceed.

Senator JOYCE (Queensland) (7.26 pm)—I thank the minister for correcting the record. Can the minister outline the role of the ACCC with regard to access regimes, as the legislation currently stands?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.26 pm)—The role of the ACCC is outlined in the bill. As I have already remarked, it is not uncommon for many amendments to be considered and drafted in respect of many bills and for them not to make their way into the chamber after reflection on whether they are appropriate. It is a commercial decision between the AWB and the Port of Melbourne.

Senator JOYCE (Queensland) (7.27 pm)—So the role of the ACCC will now be fundamental in the determination of access regimes; is that the case or not?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.27 pm)—I go back to the provision in the bill: from 1 October 2009.

Senator JOYCE (Queensland) (7.27 pm)—Can you please advise the chamber as to exactly how that operates with regard to the operation of entities that will want to access ports under this current bill?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.27 pm)—For the period until 1 October 2009, accredited exporters who operate port terminal services will have to publish the terms and conditions under which they will allow access to other exporters. After 1 October 2009 they will also be required to have access undertakings in place with the Australian Competition and Consumer Commission for port terminal facilities.
Senator JOYCE (Queensland) (7.28 pm)—So prior to that time, the commercial terms and conditions do not have to concur with the ACCC?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.28 pm)—They have to provide access, they have to publish the terms and conditions and, if they do not, they are revoked.

Senator JOYCE (Queensland) (7.28 pm)—I ask the question again: does that process, prior to that date, involve the ACCC?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.29 pm)—As I think I have indicated twice, no.

Senator JOYCE (Queensland) (7.29 pm)—Thank you for that answer, Minister. Prior to that date, how is another entity, in their negotiations on is the price, going to have access to a dispute resolution process with regard to what is a commercially fair term, considering they do not have access to the body to do it?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.29 pm)—The general provisions of the Trade Practices Act will apply.

Senator JOYCE (Queensland) (7.29 pm)—As the general provisions of the Trade Practices Act apply, what arbitrary body is going to deal with them?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.29 pm)—The ACCC and the courts.

Senator JOYCE (Queensland) (7.29 pm)—Did you not just say the ACCC does not apply prior to that date?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.30 pm)—So you are now saying the ACCC is involved prior to that date?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.30 pm)—Your question went to the specific reference for a date in the bill. I have drawn your attention to that date in the bill which is quite specific. The Trade Practices Act applies before that date.

Senator JOYCE (Queensland) (7.30 pm)—Can you please refer me to the section of the Trade Practices Act? I really am wondering about your answer, because we have had an answer that the ACCC does not apply. Now, within two minutes, we have an answer that the ACCC does apply. In the meantime, I am in a complete quandary as to who is the determinant body to work out what are fair and reasonable commercial terms because, under your legislation, there will be inevitable discussion as someone tries to get access to a port.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.31 pm)—Before 1 October 2009, it is normal competition law under part IV of the Trade Practices Act, section 46, Misuse of market power.

Senator JOYCE (Queensland) (7.31 pm)—So we are going to use section 46 of the Trade Practices Act prior to 1 October 2009. Can you please inform us how we are going to determine commercial terms in usage of that act, if that is the case now? Your answer really is that the ACCC is involved prior to 1 October 2009 and after October 2009. So they are involved. That being the case, can you please inform me of the dispute resolution process and how it is currently utilised in Australian trade practices law for the determination of commercial terms?
terms? Do you believe that this will be a fluid and immediate resolution process or do you think it will reflect the current resolution process, which on issues like the Telstra access regime has meant seven years now in the courts?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.32 pm)—It is correct to say that potentially the ACCC could become involved depending on the nature of a dispute, if any occurs.

Senator JOYCE (Queensland) (7.33 pm)—This is getting more interesting by the minute. They are involved, they are not involved, they are potentially involved, and we are still waiting for the answer as to how you can believe that they will have the capacity for an immediate resolution to a problem, when under the current trade practices laws it is an elongated and confused process? How is that going to be an operable process for the people who are going to currently want to get access to ports?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.33 pm)—As I have indicated, part IV of the Trade Practices Act applies. If there is a dispute, it goes to the ACCC. That is why I said ‘potentially’. We do not assume there will be disputes. There would have to be a dispute and then it would go to ACCC. That is what I mean by potentially. As to your question around speed and response time and fluidity of the ACCC, I cannot give any undertakings as to that. They are an independent organisation required to handle disputes. If they are handled by the ACCC, I cannot give any undertakings as to the response time. That is up to them.

Senator JOYCE (Queensland) (7.34 pm)—You said that that you assume that there will not be a dispute. Can the minister inform me if there have been representations from all the parties—of which we have been told by Mr Woods there could be 80 to 100—to inform you that they are unlikely to dispute an access regime clause?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.34 pm)—Senator Joyce, I do not know whether there will be a dispute or not, or, if there is, how many there are going to be. You argue that there will be X number of disputes. I simply do not know. How do we know? You cannot pre-judge and say, ‘There will be disputes.’ I do not know and I would suggest that you do not know. You may speculate and believe there may be disputes, but I cannot give an undertaking that there will not be disputes. But if there are, it is a matter for the ACCC to determine.

Senator JOYCE (Queensland) (7.35 pm)—In the past minute you have once again completely contradicted the statement you made previously to the Senate. You said that you assume that there will not be disputes. Then in your next answer you say that you do not know, that there could be a number of disputes. Can you not see that in this process we are getting a different answer to every question we pose?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.35 pm)—That is your interpretation. I stand by my comments.

Senator JOYCE (Queensland) (7.35 pm)—I stand by the Hansard, which will be well and truly read after this committee hearing is heard. To get you out of the embarrassment of that position, could we please move on to the next one. Can you please explain to us the dispute resolution process to determine commercial terms after 1 October 2009 and how you intend that process to be immediate and convenient and work in the
capacity of the commercial terms that will be required?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.36 pm)—I have already outlined the process and I do not intend to add anything further, Senator Joyce.

Senator JOYCE (Queensland) (7.36 pm)—This is a committee hearing, and I think the Australian people and all those who are listening have a right to know. Could you please give us some illumination on what you believe the dispute resolution process will be? Your whole resolution hangs off this access regime clause. Putting aside the technical inadequacies surrounding it, where we have a complete debacle with regard to AWB’s access to their own port, can you please explain what will be the determinant action that will decide commercial terms when parties go into dispute after 1 October 2010?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.37 pm)—I have already indicated that. I do not want to do so for the third time but I will for you, Senator Joyce—access undertakings which the ACCC sets.

Senator JOYCE (Queensland) (7.37 pm)—Have you given guidance to the ACCC or have they been in conversation with you or your department about how they will determine, or what the parameters are for determining, commercial terms for access to the ports?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.38 pm)—The guidance is in the Trade Practices Act, Senator.

Senator SIEWERT (Western Australia) (7.38 pm)—I would like to put on record the Greens’ position on these issues. I have a number of questions for the minister and also, if it is appropriate, for the opposition, because I seek clarifications on a couple of points in their amendments. I will firstly go through our comments on the various amendments.

The Greens will be supporting amendment (1), which is a change to a clause. We think it reads a little bit clumsily but we will support that amendment. We do not support amendments (2) to (6), dealing with individual growers, for many of the same reasons as the government, in fact. We believe the accreditation system has been developed to put in place some surety for the system so that the system has some integrity. Firstly, we are concerned that individual growers on their own are not likely to be able to produce enough for bulk export. Secondly, without
accreditation, we are concerned about the integrity of the system, quality control and also, as the government has already articulated, the need to put in some sort of checking system to ensure that it is the growers’ wheat that is being exported. So we have some concerns around those amendments and will not be supporting them. In terms of amendments (4) to (6), I will come back and ask Senator Minchin some questions. We question whether they are in fact necessary.

I understand item (7) regarding the operation of certain state and territory laws is largely driven by my home state of Western Australia, which still has laws in place. I would like to confirm whether this item is there not only to deal with that issue but also to deal with any future state governments who may introduce laws restricting transport by road. We have some concerns there. Obviously we are keen to see as much grain being transported by rail as possible, and into the future this is going to be an increasingly important issue. We are a little bit concerned that that may restrict an orderly approach to rail transport.

In terms of timing of the review, in particular we support item (9), which sets a reporting date. That should be required; when starting a review you obviously need a reporting date. We also share the concerns about the limited time for the review. It only allows for one season of a properly functioning market. Obviously, if it turns out that there are major problems with this system we want to pick them up as fast as possible, but I suspect we would pick them up anyway, even without this review. We would have preferred to see the date for the beginning of the review remain 1 January 2011, but with a reporting date of 1 July 2001. Having said that, we will not oppose this amendment.

I will now go to my questions of both the government and Senator Minchin. I will deal with the accreditation process first. I have a few general questions around the accreditation process for the minister. As I understand it, the government has allocated $1.15 million to an information program. Is the minister able to provide any details on what that program will look like so that growers have an idea of the services that will be provided? Will it provide financial education and counselling in marketing and risk management, which were recommendations of the committee inquiry? Will the government guarantee that the program will be extended beyond one year? As I understand it, resources have only been allocated for a year. Will it guarantee that, if the program is needed and there is demand from farmers, it will be extended beyond the first year?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.43 pm)—As Senator Siewert has indicated, there is $1.15 million to help growers and customers understand how the arrangements will work and the options available. I have just consulted with the officials. Discussions are being finalised at the present time as to details of delivery. I am informed it will be approximately two weeks before the final details are ready. I am able to indicate that as soon as they are available in detail we will be able to provide them to you or, for that matter, to any senators who require them.

Senator SIEWERT (Western Australia) (7.44 pm)—Sorry, but I may have started those questions saying ‘access’. I have questions on access. Obviously I was referring to the accreditation process. Minister, I appreciate your answer that the details are coming, but I am particularly keen to know whether it is just information about the new regime or whether it is in fact information on financial counselling and risk management support, which were clear recommendations. Those

CHAMBER
issues were teased out during the committee process.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.45 pm)—I am informed that the two issues you have raised are part of the package.

Senator SIEWERT (Western Australia) (7.45 pm)—The third one was around whether it goes beyond one year. I am aware of the discussions that went on in, for example, South Australia when the barley market was deregulated and there was cancellation of some of the information programs because they were not needed—and I appreciate that. I presume you are being cautious because of that, but I think this is a much bigger issue. I think there are bigger problems here, and I am keen to know if the government is prepared to make sure that there is funding available if it is necessary to go beyond the 12 months of the program.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.46 pm)—It is important that all industry participants are fully informed about the new arrangements and how they can take advantage of the opportunities available. For the sessions to be most effective they need to be completed before the upcoming harvest. The department is working with state farmer organisations to develop an information program which covers all bases and is accessible to industry stakeholders across Australia. We are confident the program will address industry needs. But, if it is found after the first harvest that further assistance is required in this area, that will be considered.

Senator JOYCE (Queensland) (7.47 pm)—Minister, can you please inform us whether there is any security of payment from accredited exporters to growers?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.47 pm)—Under the current arrangements there is no guarantee of payment for wheat delivered to the national pool. Grower confidence in being paid under a single desk is based on AWBI’s payment record and creditworthiness. Similarly, under the new system, the best way to ensure payment security is for a grower to exercise commercial judgement on the credit worthiness of a marketer they choose to deal with. WEA will only accredit exporters who pass a strict probity and performance check. For example, exporters may need to provide in their application evidence of sufficient liquidity to meet the estimated maximum wheat tonnage they intend to export. WEA will also regularly review the financial conditions and activities of accredited exporters to make sure they are complying with the conditions of their accreditation.

While the assessment process is designed to ensure only reputable exporters are accredited, it does not guarantee payment and it remains the grower’s responsibility to perform their own due diligence in choosing exporters. When growers deliver wheat to AWBI they receive an advance from AWBI which is actually a loan. This loan is paid up as AWBI sells the wheat. Not only do they not own the wheat; they have to repay AWBI. The financial exposure of growers to marketers of wheat that may go broke will be the same as for other agricultural commodities and the same as for AWBI at the present time.

Senator JOYCE (Queensland) (7.49 pm)—So your statement, Minister, is that there was no security in the past—though you acknowledge that there was forwarding of funds—and therefore there will be no security in the future. You premise your answer around the liquidity process that would be part of the accreditation process under the WEA. I pose the question: will that liquidity process be affected if the new accredited exporter has an incapacity to export their wheat
because of the inability to get access to a port because they are being dragged through the courts by reason of an elongated process, trying to find resolution through the ACCC? Do you not acknowledge that that could affect, even at an initial stage, the liquidity of any accredited exporter unless you get that accredited exporter to come into the WEA office with a signed-off access regime on commercial terms?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.50 pm)—There were a lot of hypotheticals there that, in your view, are connected to the issues that you have been raising in the committee debate. I have nothing to add to the detail that I provided in terms of the specific issues you have raised.

Senator JOYCE (Queensland) (7.50 pm)—But I confirm, though, that your statement is that there was no security in the past and there will be no security in the future. So when a farmer delivers to an accredited exporter they must work on the premise that there is no security in their payment, even though the goods become the possession of the person who takes them, the accredited exporter, and they have not got a redeemable asset?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.51 pm)—Senator, you reworded the same question. I have made my comments and answered your questions.

Senator JOYCE (Queensland) (7.51 pm)—I confirm that the answer is yes. What were the issues you considered with regard to the problems at Melbourne Port when you previously acknowledged that you did actually look at a draft of an amendment?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.51 pm)—As I have indicated, governments of both persuasions look at lots of different amendments and may or may not proceed with them. I have covered your question.

Senator JOYCE (Queensland) (7.51 pm)—So you acknowledge that there were issues that certainly needed considering?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.51 pm)—I have answered your question.

Senator JOYCE (Queensland) (7.51 pm)—You have not answered my question; you have actually been mute on the issue. You have given us reference to part IV of section 46 of the Trade Practices Act as a reliable mechanism to determine the access and commercial terms. Can you please give me an example of where this has worked in the past, so that we can give Australia some sense of confidence in how it is going to work in the future?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.52 pm)—I have already dealt with the question and I do not have anything further to add to it.

Senator JOYCE (Queensland) (7.52 pm)—Do you know of any area where part IV of section 46 of the Trade Practices Act has been a reliable mechanism?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (7.52 pm)—I have answered your question.

Senator JOYCE (Queensland) (7.52 pm)—You have not answered my question, Minister.

Senator MINCHIN (South Australia) (7.52 pm)—I am not sure if Senator Siewert is going to ask me any questions as she indicated she might, but I am happy to answer any questions she may have. I will just pick up a couple of points particularly with respect to the security of payment in the matter that Senator Joyce raised. Senator Sherry
said that there is currently no formal security of payment arrangement. Of course, what is contemplated here is simply that wheat growers, like every other person in business in this country, will rely on the operation of the ordinary laws of this country, as they do now in effect and will in the future. There are laws governing the enforceability of contracts, and that applies to you whether you are selling your wholesale bananas to the local retailer or whether you are selling to an accredited exporter. I point out to Senator Joyce that growers, like any other producer of any widget or any other product or service in this country, will of course have recourse to the ordinary laws of this country which, at a state and federal level, provide a greater degree of security in the law than those of virtually any other country on the planet. So I do not think that, out of this debate tonight, we want any sense among Australian wheat growers that suddenly they are being thrown to the wolves by this bill. That would be so far from the truth as to be ridiculous, so I do not think that that furphy should be allowed to run.

With respect to Senator Siewert’s remarks, I express surprise and disappointment that the Greens are not able to support our amendments with regard to individual growers, and I do not think that it is a sufficient argument against these amendments to surmise that there will not be individual growers who will have the quantities of wheat to export in bulk. That is not a sufficient reason to oppose the right of an individual grower who has or may have the opportunity to export their wheat without going through this process. Much of the purpose of the accreditation scheme is to give growers who wish to export their wheat through an exporter a considerable degree of confidence in the financial wherewithal and capacity of that exporter. That is part of the reason for the accreditation. That is obviously, by definition, not necessary if the wheat grower chooses to export their own wheat. As our amendments make clear, with respect to whether someone might cheat the system by exporting somebody’s wheat, they would, by definition, be breaching the act, because our amendment very specifically refers to an individual producer exporting wheat produced by that individual producer. Were they to seek to export wheat produced by somebody else, they would automatically not be covered by our amendments but would be covered by the requirements of the act with respect to accreditation. So I do not think that that is a legitimate argument either.

Senator SIEWERT (Western Australia) (7.56 pm)—Since we are going there anyway, I will go onto that issue, although I do have some further questions of the government. We agree with the government on that issue in particular—of putting in a compliance regime to find out whether it is the grower’s wheat or somebody else’s wheat. Could Senator Minchin explain how the opposition envisages that that would happen? And while I have his attention, I might as well ask about items (4) to (6), and that issue in particular. I seek further explanation on that amendment because it seeks to exempt individual exporters from the requirements to produce the export report and the annual compliance report. As they are exempt from the accreditation system anyway, why would those amendments be necessary?

Senator MINCHIN (South Australia) (7.57 pm)—I thought I had explained it, but I am happy to do so again. In our view, an individual who is capable of producing wheat in sufficient quantities to export their own wheat and not be reliant on an accredited exporter should, by definition, be able to do so. We fundamentally believe in free enterprise and we do not see any need for unnecessary regulation. Indeed, I thought that was one of the mantras of this government. They
renamed my old department the Department of Finance and Deregulation. We are yet to see the evidence that would support such a change of name. Nevertheless, we also agree that regulation should only be imposed on Australians where it is absolutely necessary, and we see absolutely no necessity to impose on an individual grower, exporting their own wheat, the necessity to comply with provisions that are in there for the purpose of ensuring that growers who use accredited exporters, rather than export their own wheat, are properly protected.

This bill, to the government’s credit, does provide a lot of protection for growers using accredited exporters, but, by definition, there is no need for that if the grower is exporting their own wheat and not doing so through an accredited exporter. That is the purpose. To ensure that those relevant provisions do not apply to a grower exporting their own wheat, we have followed the expert advice of the draftsman and attached (4) to (6) to proposed clause 86A, because, by definition again, the act does not apply to someone exporting wheat in bags or containers. We think, therefore, that the same exemptions from the operation of the act should apply not only to someone exporting wheat in bags or containers but also to an individual producer exporting their own wheat. Of course, with respect to the matter of whether it is their own wheat, any grower who tries to cheat the law by setting themselves up as an exporter to get around the act and export somebody else’s wheat is, by definition, breaking the law, and they will bear the full consequences of so doing—just as anybody else who breaks the law in this country does. We do not believe that you should set up some sort of police-state mechanism to check everybody’s wheat, but the individual wheat grower will know that they will be breaching the law should they attempt to export anybody else’s wheat other than their own.

**Senator SIEWERT** (Western Australia) (8.00 pm)—I am seeking a bit of further clarification. I may be misunderstanding the bill or reading something into it. Firstly, Senator Minchin—through you, Chair—I am presuming that, in response to my question about how we guarantee an individual is in fact only exporting his or her own wheat, you are not proposing any checking mechanism, which I have some concerns about. My second question was about amendments (4) to (6). As I understand it—and I can totally understand why this is—you have individual wheat growers who are exporting who are exempt from the accreditation process. I would have thought that they were then automatically exempt from compliance with the accreditation process. That is why I am questioning those particular amendments. I am presuming that the other amendments in there dealing with bags or containers are because wheat exporters who are exporting bulk wheat may also export in bags and containers, and therefore this bill is saying, ‘You don’t have to report against those but you have to report the rest.’ Maybe I am confused. I am asking why we are putting the individuals in there when quite plainly if this amendment goes through they will be exempt from the requirements of accreditation.

**Senator MINCHIN** (South Australia) (8.01 pm)—Based on draftsman’s advice, amendments (4) to (6) are required to ensure that individual wheat growers exporting their own wheat are not caught up in the accreditation process and the act does not apply to them. Of course, as you know, Senator, for quite some time the current regime regarding bulk wheat export has not applied to the export of wheat in bag or containers not capable of holding more than 50 tonnes of wheat. That has been the case for a very long time. The government, properly, is ensuring that
such exports continue to be exempt from this operation. We want to exempt not only that sort of export of wheat but wheat exported by the producer of the wheat. Based on advice, the best way to do that and ensure they are not caught up in the accreditation process is to include these amendments. Can I say for the record that we on our side have enormous faith in the honesty and integrity of Australian wheat growers and we think it would be quite improper, wrong and unacceptable for this Senate to suggest that any wheat grower exporting their own wheat would want to cheat the system. We do not accept that; we do think they are honest farmers.

Senator JOYCE (Queensland) (8.03 pm)—I think it is very gallant that Senator Minchin defends the government. I do not quite know who to pose this question to but I think I will pose it to the minister. It has been stated here tonight that the passage of title in wheat is the same as the passage of title in other goods—such as cattle, I presume. Do you believe that to be the case?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.04 pm)—I have already outlined the arrangements and so has Senator Minchin. On this occasion we agree. Usually we do not, but on this occasion we agree.

Senator JOYCE (Queensland) (8.04 pm)—I will help you out then. For goods such as cattle, the title passes with the payment for the goods, which is generally underwritten by the stock and station agent. However, with the passage of wheat you become an unsecured creditor, so the farmer is an unsecured creditor for the product. It is intrinsically different. So to put the proposition that the law that you use to claim recourse for nonpayment for such items as wheat is intrinsically wrong. With one you can redeem your property and with the other one you stand in line as an unsecured creditor. Do you believe that to be the case or not?

Senator SIEWERT (Western Australia) (8.05 pm)—I have a few more questions of clarification for the minister. I will try not to take too much time. I am now trying to chase some answers and clarification over Wheat Exports Australia. In the minister’s second reading speech he said:

Wheat Exports Australia will regularly review the financial conditions, and activities, of accredited exporters to make sure they are complying with the conditions of their accreditation.

Seeing as we all know that the last WEA had some fundamental issues and some of us believe that part of the AWB scandal was due to the poor ability of the WEA to audit and properly see what AWB was doing—so we are quite keen to make sure that WEA has got sufficient powers to do their job—could you tell me how regularly the government expects the WEA to conduct their regular review function? I should note that in the bill it does not say the WEA will regularly review; there is just a requirement for annual reports from exporters and powers to direct audits and seek information. I would like to see a clarification of what ‘regularly review’ means, and does the minister have something broader in mind than what the bill says?
Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.07 pm)—This is a matter for the WEA board. They will examine the risk profile of each entity and determine what is appropriate according to that profile.

Senator SIEWERT (Western Australia) (8.07 pm)—Why then did the minister say ‘regularly review’ if that is not what the government intended? Does it intend more than, as I asked before, just the annual reports? This is an important point that people want to know about. The last WEA failed and we want to make sure this one does not.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.08 pm)—There is an annual audit and they will check according to what they believe are the criteria for risk assessment and risk profile. They will assess that depending on what they see—it may be monthly or it may be six-monthly. They will have a look at each entity to determine what is appropriate.

Senator SIEWERT (Western Australia) (8.08 pm)—I am not entirely satisfied with that answer but I know I am not going to get any further on the matter. Will interested parties have the ability to complain to the WEA about an exporter who they think is not complying with their accreditation?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.09 pm)—Yes, they will.

Senator SIEWERT (Western Australia) (8.09 pm)—Will the WEA then be compelled to take action in response to such complaints?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.09 pm)—The process is similar to ASIC and APRA, which are the regulators I am familiar with. When a complaint is laid, they will look at the details of the complaint and take legal advice as to whether there is any enforcement action that needs to be taken. They will then act on that legal advice.

Senator SIEWERT (Western Australia) (8.09 pm)—Will they then be required to provide the reasons for the decisions to the person making the complaint?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.10 pm)—Yes. Under administrative law they would be, even where they decided not to take any action.

Senator SIEWERT (Western Australia) (8.10 pm)—This is my final question in this particular area, depending on the answer. How will the government ensure the WEA is in fact exercising its powers appropriately? Who audits the auditors?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.10 pm)—They are answerable to the minister in the same way that APRA and ASIC are answerable. They are independent organisations set up under an act of parliament. The process will be that if the minister believes they are not doing their job appropriately then the minister has to take the required action.

Senator SIEWERT (Western Australia) (8.11 pm)—I did warn you that I may have another question if the answer needs clarifying. The reason I am asking this is that previously WEA did not seem to be that accountable to government. I am sure wheat growers would like to know that there is going to be a guarantee the minister will keep an eye on what is going on and take appropriate action. Last time, as you are aware, that did not seem to be the case.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.11 pm)—The wheat authority is really no different in its approach, from other regulators. The two I am most familiar with are APRA and ASIC. The minister will be keep-
ing a very close eye on things, I am sure, given the nature of the changed arrangements that are being debated tonight and will follow once the legislation is passed. Knowing the minister as I do, he will be keeping the entire process under very, very close check.

Senator JOYCE (Queensland) (8.12 pm)—As Senator Siewert has broached the issue of the board of the WEA, what selection criteria does the minister propose? What qualifications do board members need? How much input are you going to recognise from peak industry bodies? What transparency and review of that process is going to be delivered to the parliament?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.13 pm)—Clause 41 of the bill provides:

1. Each WEA member is to be appointed by the Minister by written instrument.

2. A person is not eligible for appointment as a WEA member unless the Minister is satisfied that the person has:
   (a) substantial experience or knowledge; and
   (b) significant standing;
   in at least one of the following fields:
   (c) international trade ... (n) grain handling.

Then the clause provides quite a list of background expertise through to:

3. A WEA member holds office on a part-time basis.

Senator JOYCE (Queensland) (8.15 pm)—Seeing you know him well, I ask you to explain Dr Laker’s involvement in the wheat industry so far.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.15 pm)—This is a gentleman who is on the selection committee—he is not going on the WEA itself. He is the head of the Australian Prudential Regulatory Authority. He is responsible for the prudential oversight of banking, insurance and credit unions in this country—it is a very responsible position.

Senator JOYCE (Queensland) (8.15 pm)—I do not, for one moment, cast aspersions on Dr Laker’s character. The question I asked—quite clearly—is: what does Dr Laker know of the wheat industry?
the minister about who will be the individuals on the regulator. In that sense he is superbly qualified.

Senator JOYCE (Queensland) (8.16 pm)—If Dr Laker does not have any experience in the wheat industry, can you inform us whether either of the other two individuals have any experience in the wheat industry?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.16 pm)—The three people who will make the recommendation to the minister are experienced in gathering together names. Their job is to gather together names and assess the backgrounds of people who will then be put to the minister.

Senator JOYCE (Queensland) (8.17 pm)—From that I gather that none of the three have any experience in the wheat industry.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.17 pm)—They will be providing advice to the minister against selection criteria, which, obviously, include expertise in the wheat industry, as to who would be appropriate and effective members of a regulator.

Senator JOYCE (Queensland) (8.17 pm)—Seeing none of them have any experience in the wheat industry—and looking at the qualifications you have spelt out in clause 41—is it possible that they could select a board that has great experience in regulation, public policy, business, law, and other international marketing but that no-one on the board may have any experience in the wheat industry?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.18 pm)—The three people who will make the recommendation to the minister are experienced in gathering together names. Their job is to gather together names and assess the backgrounds of people who will then be put to the minister.

Senator JOYCE (Queensland) (8.18 pm)—Have you quarantined a position on the board specifically for someone who has experience at the grassroots level in the wheat industry?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.19 pm)—The criteria include wheat industry background.

Senator JOYCE (Queensland) (8.19 pm)—I pose the question once more: is there even one position on the board quarantined exclusively for someone who has had experience in growing wheat?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.19 pm)—The answer is no. There is no specifically allocated person on the board, but the selection criteria include that as one of the criteria against which a recommendation will be made to the minister.

Senator JOYCE (Queensland) (8.20 pm)—It would be peculiar in the extreme if one of the criteria was not wheat. Thank you for answering the question, Minister. You have now confirmed that no-one on the board need necessarily have any experience in wheat, and the board could be totally selected without anyone having any experience in wheat. Yet this is the body that is going to have the Australian wheat industry in its hands. Do you propose to review this legislation in the future to have more of a nexus between the WEA and wheat growers?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.20 pm)—The wheat growers are not excluded. I suggest you wait until you see the
individuals that are appointed and take your considered view then as to whether you believe they are appropriate or not. We have a very sound group of three individuals who make the assessments against the criteria and give them to the minister. I think that is as robust a process as I have seen anywhere in any appointment process in terms of an authority. If you wanted X nominee on, you could have prepared an amendment. We do not have an amendment before the chair. Or you could have convinced the Liberal Party to put that. As I understand it, this has not been an issue of contention and has not been raised so far. I am not surprised because we consider the selection process analysis is robust.

Senator JOYCE (Queensland) (8.21 pm)—I have to remind you that it is your legislation, not mine. In fact, I will be voting against the legislation and have done so far. Seeing that the selection panel does not include a wheat grower and the board that it will select might not necessarily include a wheat grower either, can you please tell me what qualifications you see as being essential, or is it the case that no qualifications will be required? If qualifications are not required, are there going to be any criteria to ascertain experience, and are you going to table them so that we can have a transparent look at the selection criteria process by which the board members will be selected? That is a good enough start.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.22 pm)—And it is a good place to end. I have answered the question. I do not see this process as being any different from the appointments to most boards that I am familiar with in the Commonwealth government sector.

Senator JOYCE (Queensland) (8.24 pm)—I refer you to clause 40, which says: WEA consists of the following members:
(a) a Chair;
(b) at least 3, and not more than 5, other members.
Is it possible, Minister, that the five members and the chair could be people who all come from business, all come from law, all come from international marketing, whatever that may be, and that you could have a board that includes nobody from the wheat industry? It is quite simple. It is either yes or no.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.25 pm)—As the bill says, we will be seeking a balance of skill and knowledge. You can answer the question yourself. How likely do you consider it to be? I would contend
that the meaning of ‘seeking a balance of skill and knowledge’ is very obvious, Senator Joyce.

Senator JOYCE (Queensland) (8.25 pm)—So you are saying that, in your opinion, it is imperative that there be a person on the board who grows wheat. Madam Chair, I am looking for an answer.

The TEMPORARY CHAIRMAN (Senator Moore)—There is no requirement for an answer, Senator Joyce. You may wish to move on to another question. I will ask the minister whether he seeks the call.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.25 pm)—No. I have answered.

The TEMPORARY CHAIRMAN (Senator Moore)—Senator Joyce, another issue, perhaps.

Senator JOYCE (Queensland) (8.26 pm)—Since it is now quite obvious that the selection panel, which we know for a fact has nobody on it who is involved in the growing of wheat, may select a board that does not necessarily have on it any person involved in the growing of wheat, and we know that the minister has no selection criteria with which to consider people’s experience in the growing of wheat, do you think that there is the capacity for the board to make the wrong decisions?

The TEMPORARY CHAIRMAN (Senator Moore)—There is no response. Senator Joyce, I draw to your attention the standing order.

Senator JOYCE—That is fine. ‘No response’ is the answer I heard.

Senator SIEWERT (Western Australia) (8.26 pm)—If Senator Joyce has finished with that issue, I have another issue to move on to. I want to check something to do with access. There has been quite a bit of discussion about access to ports and up-country facilities. During the minister’s second reading speech he said: … if any problems are identified— with access to up-country facilities— then the government will take steps to remedy the situation including … the development of a code of conduct.

Is that promise limited to the formal review process, or, if problems are identified, will that issue be dealt with on a more timely basis?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.27 pm)—It is the latter. It will be on a timely basis. It is not limited.

Senator SIEWERT (Western Australia) (8.27 pm)—Thank you. That reassures me somewhat. I am just wondering, then, what process you will use to work out whether there are in fact problems coming to light before the review process. What process will be undertaken to identify those problems?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.28 pm)—The minister himself or herself who holds the position at the time—I am assuming Minister Burke will be there for some time—

Senator Minchin—Well, for 2½ years.

Senator SHERRY—Then it may be Senator Scullion. Who knows? If anyone has a complaint or a concern, we believe it will be dealt with promptly under the processes.

Senator SIEWERT (Western Australia) (8.29 pm)—I would like to ask a few short questions for some information, if that is okay. Well, I am going to ask them anyway.

The TEMPORARY CHAIRMAN (Senator Moore)—Go ahead, Senator Siewert.

Senator SIEWERT (Western Australia) (8.29 pm)—The government announced that
they will provide up to $2.52 million for the ABS to collect the necessary information on wheat stocks and for ABARE to prepare a monthly report which will be available to industry. Obviously, it is essential that this scheme works. When will this information system be starting?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.29 pm)—The target date is December this year.

Senator SIEWERT (Western Australia) (8.30 pm)—Thank you for that. What process are you going to put in place to ensure that the system that you are putting in place is in fact adequate and is working?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.30 pm)—The ABS and ABARE are consulting with the industry to determine the best way to gather the survey data. I do not see this as an unusual process. I am aware of the ABS’s involvement in other information/statistical gathering. I have to say they are a very robust organisation. So it is December. They are a reliable organisation in terms of their developmental times. We are confident that the requirements of growers for survey data collection will be met.

Senator SIEWERT (Western Australia) (8.31 pm)—It is not the case that I am casting aspersions on ABS and their inability to provide the data. It is more a question of whether the way the data is provided is adequate to meet growers’ needs or the market’s needs. Is that system actually working? Although I am probably well known for my criticism of ABARE, it is not the case that I am doubting their ability to provide the information.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.31 pm)—No, I did not take that you were in any way being critical of ABS. I note your criticism of ABARE. I do not agree, but I understand why, because I have seen you questioning ABARE at estimates. I cannot give you the final survey forms or criteria for collection or the way in which the data will be presented. I cannot give you that tonight. I would be confident with respect to the ABS and the work that it will do with the growers. ABARE will be involved. But ABS has always done a first-class job with statistical data gathering and presentation. Beyond that commitment I cannot give you any further information on it tonight.

Senator SIEWERT (Western Australia) (8.32 pm)—What I am seeking here is an understanding from government on whether there will be an ongoing process—the same way I was seeking it for access—to ensure that the information provision is meeting needs, again before the review process. This was identified during the inquiry as a critical element and a critical need. So I am seeking the clarification that the government is not just going to set this in place and then not worry about it until the review process is undertaken.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.33 pm)—The $2.5 million is for this work over three years. Having some understanding of the way in which ABS collect data, and the way they have done it in other areas, I would have great confidence in their ability to collect the correct data and to design the form in which the material collection is presented—some of it may be electronic—because this would be a new data series, presumably. And then they may change the way that it is collected. That is part of their normal process for any data collection. I cannot give you any detail beyond that. Perhaps I could give you more information. We could approach the ABS to give us a report about where they are up to at this point in time, how they believe the data will be collected...
and the form it will be presented in. It is probably a bit early. We are halfway through the year, and it is due for completion in December. The consultations with the wheat industry are not concluded. But we have confidence in the ABS to do the work. If we get some further update about how it will be done and the form it will be presented in before December then I will be very happy to provide that.

Senator JOYCE (Queensland) (8.34 pm)—On the appointment of WEA members: it might be here somewhere, but do they need to be Australian citizens?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.35 pm)—I am happy to take that on notice and come back to you.

Senator JOYCE (Queensland) (8.35 pm)—Having perused the legislation I can inform the minister that they do not.

The TEMPORARY CHAIRMAN (Senator Moore)—There has been a request to divide the question. I propose to put the question that the amendments be agreed to on the basis of those that the government have indicated they will support. Is the chamber happy with this course of action?

Senator JOYCE (Queensland) (8.35 pm)—I do not intend to call a division but I want it noted that I would not be supporting amendment (1). If it is just noted on the record, I do not mind, but I am noting now that I see amendment (1) as intrinsically different to the following amendments. Amendment (1) goes to the whole substance of the bill. I feel the bill is not responsive to nor does it advance the interests of wheat growers, and we have proved tonight that it is technically inadequate. It certainly does not reflect the overall sentiment of wheat growers. So I would not be supporting amendment (1). With the following amendments, though I feel they are not so much non-controversial as inconsequential, I will support them as a mechanism to ventilate this issue further.

The TEMPORARY CHAIRMAN (Senator Moore)—I put the question that amendments (1), (7), (8) and (9) on sheet 5488 moved by Senator Minchin on behalf of the Liberal Party be agreed to.

Senator JOYCE (Queensland) (8.37 pm)—I ask that amendment (1) be addressed separately.

The TEMPORARY CHAIRMAN (Senator Moore)—We will do that. The first question then will be that amendment (1) moved by Senator Minchin on behalf of the Liberal Party be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN (Senator Moore)—We now move to amendments (7), (8) and (9).

Senator JOYCE (Queensland) (8.37 pm)—May I note that I and others, whose sentiments I think I reflect, are against that amendment.

The TEMPORARY CHAIRMAN (Senator Moore)—Thank you, Senator Joyce. That is noted. The second question is that amendments (7), (8) and (9) on sheet 5488, moved by Senator Minchin on behalf of the Liberal Party, be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN—The next question is that amendments (2), (3), (4), (5) and (6) on sheet 5488, as moved by Senator Minchin on behalf of the Liberal Party, be agreed to.

Question agreed to.

Bill, as amended, agreed to.
WHEAT EXPORT MARKETING (REPEAL AND CONSEQUENTIAL AMENDMENTS) BILL 2008

Bill—by leave—taken as a whole.
Bill agreed to.

Wheat Export Marketing Bill 2008 reported with amendments and Wheat Export Marketing (Repeal and Consequential Amendments) Bill 2008 reported without amendment; report adopted.

Third Reading

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.42 pm)—I move:

That these bills be now read a third time.

Question put.
The Senate divided. [8.46 pm]

(The President—Senator the Hon. Alan Ferguson)

Ayes……………… 58
Noes……………… 6
Majority……… 52

AYES
Adams, J. * Allison, L.F.
Barnett, G. Bartlett, A.J.J.
Bernardi, C. Birmingham, S.
Bishop, T.M. Boyce, S.
Brandis, G.H. Brown, B.J.
Brown, C.L. Bushby, D.C.
Campbell, G. Chapman, H.G.P.
Colbeck, R. Collins, J.
Coonan, H.L. Cormann, M.H.P.
Crossin, P.M. Eggleston, A.
Ellison, C.M. Ferguson, A.B.
Fierravanti-Wells, C. Fifield, M.P.
Fisher, M.J. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Johnston, D. Kemp, C.R.
Kirk, L. Lundy, K.A.
Macdonald, I. Marshall, G.
Mason, B.J. McEwen, A.
McGauran, J.J. McLucas, J.E.
Milne, C. Minchin, N.H.
Moore, C. Murray, A.J.M.
O’Brien, K.W.K. Parry, S.
Paikin, K.C. Payne, M.A.
Polley, H. Ronaldson, M.
Sherry, N.J. Siewert, R.
Stephens, U. Sterle, G.
Stott Despoja, N. Troeth, J.M.
Trood, R.B. Watson, J.O.W.
Webber, R. Wortley, D.

NOES
Boswell, R.L.D. Fielding, S.
Joyce, B. * Lightfoot, P.R.
Macdonald, J.A.L. Scullion, N.G.

* denotes teller

Question agreed to.

In division—

Senator Scullion—Mr President, I would like to record again, as I did the other day, Senator Nash’s absence due to bereavement. I know that she would like to register her vote against this legislation.

The PRESIDENT—It will appear in Hansard.

Bill read a third time.

BUSINESS

Rearrangement

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (8.52 pm)—I move:

That intervening business be postponed till after consideration of the government business order of the day relating to the Appropriation Bill (No. 5) 2007-2008 and a related bill.

Question agreed to.

APPROPRIATION BILL (No. 5)
2007-2008

APPROPRIATION BILL (No. 6)
2007-2008

Second Reading

Debate resumed.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (8.53 pm)—
Can I just, in closing the debate this evening, thank those senators who have made contributions to the debate on Appropriation Bill (No. 5) 2007-2008 and the related bill. We, of course, on this side of the house believe that the appropriation bills bring a new era of not only fiscal responsibility but also social responsibility to government in Australia. We believe that the measures we have taken in these bills are significant and will change the environment in Australia for the future.

Question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining stages without amendment or debate.

TAX LAWS AMENDMENT (ELECTION COMMITMENTS No. 1) BILL 2008

INCOME TAX (MANAGED INVESTMENT TRUST WITHHOLDING TAX) BILL 2008

INCOME TAX (MANAGED INVESTMENT TRUST TRANSITIONAL) BILL 2008

Second Reading

Debate resumed from 18 June, on motion by Senator Chris Evans:

That these bills be now read a second time.

Senator COONAN (New South Wales) (8.55 pm)—I want to make some remarks tonight, but, in opening, I will say that the coalition will not be opposing the Tax Laws Amendment (Election Commitments No. 1) Bill 2008 and the two related bills. However, I want to take the opportunity to highlight some of the serious concerns that we have with these bills and the government’s handling of them. The coalition, of course, stands for lower taxes. For this reason, we are always receptive to tax cut measures. This is why we are debating this bill at this late stage of extended sitting hours on Thursday night. The coalition have a proud record of cutting taxes for hard-working Australians, but, as Labor’s budget shows—regrettably, I think—their record is one of raising taxes for Australian families rather than cutting taxes.

Unfortunately, the government have adopted a hypocritical stance in the way they are behaving tonight, especially in relation to these bills. During the last parliament, we constantly heard Labor bleating about how the Senate needed to have the opportunity to better scrutinise government bills. It is clear from Labor’s behaviour in relation to these bills tonight that last year they were only crying crocodile tears. They do not really care about scrutiny, transparency or good government. They will just engage in petty politics when it suits them, because they believe they can get away with it. The farce that the debate on these bills has become is because the government has failed to allow the Senate adequate time to effectively scrutinise the bills. The measures only cleared the other place yesterday, and now we are seeing them rushed through the Senate at this late hour, because obviously Labor do not want any light shone on their shabby handling of these particular budget measures.

This measure takes effect over three years by reducing the withholding tax rate in the following way: year 1, reduced to 22.5 per cent; year 2, to 15 per cent; and year 3, to 7.5 per cent. It is interesting that this is actually different from Labor’s initial proposal last year in which they promised to reduce the tax to 15 per cent. This, of course, would bring the rate down to be generally in line with the withholding tax regimes on other investment types. While this is yet another example of a broken Labor promise rather than a kept election promise, it may not be up there with other broken promises, such as the education revolution that we now know will only provide a laptop for half of Austra-
lia’s schoolchildren. But, as I mentioned before, the coalition has the record and the runs on the board when it comes to lowering taxes. It was the coalition that came up with the plan during the election last year to give personal income tax relief. Labor scrambled to play catch-up, because we now know that they had—and they have—absolutely no tax plans of their own apart from hiking up taxes.

The coalition consistently used the last five federal budgets to cut taxes, and the comparison of the coalition to Labor shows just how seriously devoid of ideas the government is. In their first budget in 12 years, Labor introduced myriad taxes. They raised taxes on hard-working Australian families who are struggling daily with sky-high petrol costs, with grocery costs and with cost of living pressures. So isn’t it somewhat ironic that the only tax cut that was introduced in Labor’s budget was a tax cut for foreign investors? That is the Labor way: raise taxes on ordinary Australians by stealth and then act out the charade of fiscal responsibility by giving a tax cut to foreigners. Why is it that Labor’s first budget proposes to raise taxes on ordinary Australians by stealth and then act out the charade of fiscal responsibility by giving a tax cut to foreigners? Combine this with the attempt to rush this bill through without scrutiny and it is clear that that is the way the Rudd government operates and the way it intends to go on.

What is already clear is that, after only seven months in office, we see an arrogant, out-of-touch government—a government that will say and do anything to get into government but once in government wants to ride roughshod over the opposition and the proper democratic processes that Australians want to see in parliament. One of the reasons that the coalition would prefer that this bill be scrutinised by the Senate Standing Committee on Economics is that there is the prospect that it will allow a transfer of wealth from Australia’s Treasury to foreign treasuries.

The whole argument put forward by the government that this will encourage increased investment is not necessarily true or accurate simply because they say so. If an individual foreign investor from a country that has a double-taxation agreement with Australia decides to invest here, they are entitled to a tax credit in their home country for any tax paid in Australia. The consequence of this is that any tax cut in Australia means, for some investors, a tax rise overseas. All that this does is cause a transfer of wealth from the Australian Treasury to foreign treasuries. As an opposition, we believe that we have a perfectly legitimate right to ask why Labor wants to deliver a windfall to foreign treasuries out of the pockets of Australian taxpayers.

Again, the coalition would have wished to have had an opportunity to have a Senate committee examine this to determine just how much money this bill will transfer out of Australia’s Treasury and into the treasuries of foreign countries. As you can see, this is not a straightforward issue. The fact that we are having this rushed through so quickly really smacks of arrogance, hubris and a complete disdain for the need for transparency and proper scrutiny.

Another reason that the coalition would have wished to have had more time to scrutinise this measure is the monumental and incompetent mishandling by Labor of the costings of this policy. Last year Labor promised that this measure would cost only $15 million a year. When the then Treasurer, the member for Higgins, Mr Costello, queried this and suggested that it would be over $100 million a year. When the then Treasurer, the member for Higgins, Mr Costello, queried this and suggested that it would be over $100 million, Labor, to its eternal discredit, criticised the coalition rather than buckling down to work out what the impact of this measure would actually be. Now, by Labor’s own
admission, it is even more again. The budget forward estimates show that this measure will actually cost $630 million, as opposed to the $60-odd million that Labor promised. If the government has miscalculated a policy and costed it at one-tenth of its real impact, there is a compelling case to check the costings and to scrutinise this measure. In light of the miscalculations made by Labor, the Senate economics committee should have been given the opportunity to examine Treasury officials about the costings to ensure that they are now accurate.

The coalition will not oppose this measure tonight, as the industry has been requesting it and they are very keen to see it become law before 1 July. Whilst we support policies that will increase investment, we do not usually do this in this manner and on the run. I give Labor due warning that this is not to be repeated. We will cooperate with the government tonight to ensure the passage of this bill because of its significance to the business community. Our cooperation in relation to complex bills where there is more than a whiff of a government stuff-up must not in future be taken for granted.

Labor’s attempt over the past few days and weeks to don the mantle of responsible economic management is, I have to say, wearing pretty thin. Labor again tried to use question time to complain that the decision to refer budget measures to Senate committees was maliciously destroying the government’s budget. That is what the Leader of the Government in the Senate, Senator Evans, said. Labor falsely claims that only these tax hikes will stop inflation because they will build the surplus. But this measure actually lowers the surplus. How dare the Labor government lecture us for opposing tax hikes on ordinary Australians with their argument about building the surplus when they are now trying to justify lowering the surplus. The government is, I think, confused and in disarray. These bills show it. They promised to be economic conservatives but have instead shown themselves to be incompetent and dissembling in their dealings on this measure.

The opposition recognises the importance of a competitive withholding tax regime to the business community and the funds management industry. Through no thanks to the government’s antics, this bill will pass tonight.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.05 pm)—I do not know who is confused or in disarray but I would suggest it is the opposition, after the performance of the shadow Treasurer, Mr Turnbull—but I might come back to that a little later. The Tax Laws Amendment (Election Commitments No. 1) Bill 2008, the Income Tax (Managed Investment Trust Withholding Tax) Bill 2008 and the Income Tax (Managed Investment Trust Transitional) Bill 2008 deliver on a very important election commitment to slash the withholding tax rate that applies to non-resident investors. The legislation represents the final stage of the implementation of an election commitment that was first announced in last year’s budget reply by the now Prime Minister, Mr Rudd.

That was a specific commitment in the budget reply, which was given just over a year ago. It was reiterated on a number of occasions in the lead-up to the election, and it was a specific election promise. I am aware that, at the IFSA conference the year before, before Mr Rudd became leader of the then opposition and obviously before he became Prime Minister, he had a particular interest in this issue and he raised it on that occasion. I think that was approximately October 2006. So on this issue, from the original announcement by Labor of its interest in this area through to the specific announce-
ment in the budget reply last year and then the election commitments, the Prime Minis-
ter has had a very long, clear, unequivocal commitment on behalf of the Australian La-
bor Party.

Schedule 1 of the bill replaces with a new withholding tax regime the existing 30 per cent non-final withholding tax regime apply-
ing to certain distributions from Australian managed investment trusts to foreign inves-
tors. The importance of this measure to Aus-
tralia’s future prosperity should not be un-
derestimated. The measure is a key plank of the government’s aim to make Australia a financial services hub, and this is of great importance to the financial services sector, particularly in the Asian region. It will en-
sure that Australia remains a world leader and at the cutting edge of funds manage-
ment.

The financial services industry makes a large contribution to Australia’s wealth and has significant potential to contribute even more. The financial and insurance sector cur-
rently contributes more than seven per cent of gross domestic product, and this makes it the third-largest industry in the Australian economy. The sector employs around four per cent of Australia’s workforce, or around 400,000 people, and contributes about $30 billion in tax revenue through corporate and personal income taxes.

Some people would be surprised to learn that Australia in fact has the fourth-largest offshore managed fund market in the world, with assets worth approximately $1.4 trillion under management. This is primarily due to superannuation savings, in turn primarily due to the initiative of compulsory superannua-
tion introduced by the Hawke and Keating governments and later built on by former Prime Minister Mr Keating. This puts Aus-
tralia in a uniquely fortunate position to as-
sist in the country becoming a financial hub and to underpin export financial services. Due to the huge size of funds under man-
agement, Australia has developed a number of natural advantages in funds management: a good reputation; a well-respected, experi-
enced, regulatory regime; a skilled work-
force; and being strategically placed in the
Asian time zone.

However, despite all these advantages, in-
credibly, less than three per cent of fees de-
rived by Australian funds management funds are attributable to foreign investment. Added to this is the fact that, of the small amount of foreign funds under management here, most of this is derived from investors in a narrow range of countries, in particular the US and the United Kingdom. So it is clear to the La-
bor government and to the industry that the financial services sector has an immense un-
tapped potential for growth, particularly in the Asian region, and obviously the Asian region itself has very fast economic growth, driving significant funds under management in Asia.

The Access Economics report last year demonstrates the export potential of Austra-
lian funds management. The report found that, under a business-as-usual forecast, the financial services industry would by 2010 export just over $1.5 billion out of total sales for the sector of just under $50 billion. But, if the share of exports in the financial sector increased gradually from its current level of three per cent to 10 per cent by 2010, exports by the sector would be $3.3 billion higher by 2010.

Reducing the withholding tax will sub-
stantially improve the competitiveness of Australian managed funds and help Australia realise its potential and boost financial ser-
dvices exports. The measure will give Austra-
lia one of the lowest withholding tax rates in the world, which will significantly boost the attractiveness of Australian managed funds,
particularly property trusts for foreign investors.

We do not suggest that Australia will become a London or a New York. They have historical, geographical, political and financial strengths that were laid down centuries ago, in both cases. But Australia as an Asian financial services hub, to compete effectively with centres like Singapore, Hong Kong and Dubai, is achievable. The Australian Labor Party and the government believe that we can grow an Australian industry to ensure our bright and skilled young people have first-class jobs in Australia and are not forced to go overseas to get valuable experience and that indeed, if they do—and many Australians do—they will return to a world-class financial services sector.

The rate of withholding tax will depend on the residency of the foreign investor. Residents of countries in which Australia has an effective exchange of information agreement on tax matters will be subject to a reduced final withholding tax rate of 7.5 per cent once the measure is fully implemented. The rate goes beyond the government’s election commitment and ensures that Australia’s funds management industry is well placed—and that is a contributor to the cost issue that Senator Coonan touched on in her contribution. In the first year, the rate of tax will be 22.5 per cent, dropping to 15 per cent in the second year. However, in that first year residents of effective exchange of information countries will be eligible to claim deductions for expenses relating to their distributions. This will assist in the transition to a flat and final withholding tax regime. Residents of countries with which Australia does not have an effective exchange of information agreement will be subject to a 30 per cent withholding tax.

Efforts to prevent international tax evasion are substantially enhanced by the ability of countries to exchange information relating to tax matters. Australia does not have this capacity with many countries, with some actively trading on their scope to offer individuals and businesses anonymity. The list of countries with which Australia has effective exchange of information will be prescribed by regulation.

Schedule 2 of the bill will exempt from income tax the Prime Minister’s Literary Awards, to the extent that the awards would otherwise be assessable income. The Minister for the Environment, Heritage and the Arts announced on 28 February that these awards would be tax exempt, and the bill delivers on that commitment.

As I touched on in the beginning, it is unfortunate that there was some uncertainty in the opposition’s position on this legislation—or at least until I spoke in question time today—and I understand that the Treasurer, Mr Swan, touched on the issue as well, but that has now been clarified, fortunately. With those comments, I commend the legislation to the Senate.

Question agreed to.

Bills read a second time.

**Third Reading**

Bills passed through their remaining stages without amendment or debate.

**BUSINESS**

**Rearrangement**

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.16 pm)—by leave—I move:

That the order of the Senate of 17 June 2008 be varied to provide that:

(a) on Monday, 23 June 2008, the hours of meeting shall be 12.30 pm to 6.30 pm, and 7 pm to 11.40 pm; and

(b) on Wednesday, 25 June 2008, the routine of business from 5.30 pm shall be:

(i) valedictory statements, and
(ii) the Senate shall adjourn without any question being put.

Question agreed to.

ADJOURNMENT

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.16 pm)—I move:

That the Senate do now adjourn.

Mr Crispin Beltran

Senator MARSHALL (Victoria) (9.17 pm)—I seek leave to incorporate my adjournment speech.

Leave granted.

The speech read as follows—

I rise today to pay tribute to the life of an exceptional labour leader, political activist and representative of working Filipinos. It was with sadness I greeted the news of the sudden demise of Filipino Congressman and KMU Chairperson Emeritus Crispin Beltran. He died in late May from an accident at his home in the Philippines. He was 75.

I have spoken many times in this place on the struggle for human rights, democracy and justice in the Philippines. In working to make people aware of this struggle and to support those working for change I have met many impressive people both here in Australia and the Philippines. People who continue to fight for a fair, just and democratic society.

Crispin Beltran was one of these people. Crispin, also known affectionately as Ka Bel, worked tirelessly in standing up to injustice and helping ordinary people in the collective toil for personal and political freedoms in the Philippines. He strove to organise and work alongside labourers, the urban poor, migrant worker communities and rural peasants in this struggle.

As a fellow trade unionist, I met with Ka Bel many years ago in the Philippines and learnt from his experiences and the experiences of the working people fighting for a better deal. Ever since that time I have been a supporter of the struggle of working Filipinos and worked in solidarity with Ka Bel, through his roles at the Kilusang Mayo Uno, Bayan Muna & Anakpawis parties and the Congress.

His life long endeavours have ensured popular support for change and brought attention locally and internationally to the injustices faced by the Filipino people. These injustices include an appalling disregard for human rights, the extrajudicial killings of anyone who dares speak out, and the political persecution rife in the Philippines through the arrest and incarceration of those critical of the Government and Military.

For those who are not familiar with the life of Ka Bel, I will take a few moments to outline the amazing contribution this man has made.

His first work was as a courier for the guerrillas working to liberate the Philippines after the Japanese invasion and occupation. After the war, he worked as a farm hand and janitor to support his studies. He then worked as a gasoline boy, messenger, bus driver and taxi driver.

At the age of 20, he joined his fellow taxi drivers in a strike against unfair labour practices. The police attacked their picket line, injured many and claimed the lives of three protesting workers. This incident drove Crispin to join the fight for workers rights.

He then organised amongst Taxi Drivers and this work lead him to become a labour leader in 1955 with the Amalgamated Taxi Drivers Association, serving as President from 1955 up to 1963. This was then followed by his work in organising the Confederation of Labour of the Philippines and helping found the Philippine Workers Congress and other labour organizations.

Remarkably, under martial law, Ka Bel helped establish the Federation of Unions and the Philippine Nationalist Labor Organization (PANALO) until KMU was founded in 1980. From 100,000, KMU’s membership soared to 500,000 in the 1980s. The establishment of KMU united and strengthened Filipinos in their fight against the Marcos dictatorship.

When Marcos launched a crackdown in 1982, Ka Bel was one of those arrested and detained. He was able to escape in 1984, and rather than lay low, went back to organising workers and peasants in rural areas. When KMU President Rolando Olalia was brutally murdered in 1987, Ka
Bel took over the presidency of KMU and served in that position until 2003.

In 1987 he ran for senator and garnered over 1.5 million votes but due to a range of suspicious electoral circumstances was not elected. This did not deter him and he was elected as a representative of the party list group Bayan Muna (or People First) in 2001, then later Anakpawis (or Toiling Masses) in 2004 and 2007—explicitly supporting and representing workers, peasants and the urban poor.

He used this time to work hard in the Congress. He pushed for wage increases for many low paid workers, protections against labour contractualisation practices and wholesale improvement of the Labor Code. He vigorously opposed the privatization of many public assets and uncovered several anomalies in funding from Government including funding for the judiciary.

He was a staunch critic of the skewed international campaign against terrorism, pointing out the yawning chasm between the rhetoric of Government and the reality faced by Filipinos, a reality of the most insidious form of terrorism—state sponsored terrorism.

Like many others who take action on issues of poverty, justice and workers' rights in the Philippines he faced this reality himself as he endured political persecution, death threats and incarceration for his efforts.

As I mentioned earlier Ka Bel was arbitrarily imprisoned under the Marcos dictatorship in an attempt to silence him.

Over twenty years later this happened again to Ka Bel. This time it was under the Arroyo regime, and happened even though he was an elected parliamentarian.

In 2006 Ka Bel was imprisoned under vague sedition and treason laws, in what is widely acknowledged as another attempt to suppress political dissent and opposition by the Arroyo government. Finally, after 18 months, Ka Bel was found innocent of the rebellion charges brought against him and released.

In looking at what Crispin endured there is a strong message about the dangers of vague sedition and terrorist laws which can be used to persecute opposition and protect a rotten status quo. As I have pointed out to the Senate previously, the situation still continues to be dire for those who speak out in the Philippines. Since Gloria Arroyo became President, the Bayan Muna Party and other progressive political parties in the Philippines, such as the Gabriela Women's Party, have been subject to extrajudicial killings and continual harassment. Under the Arroyo government, over 130 members of the Bayan Muna Party—the progressive party under which Ka Bel was first elected—have been murdered.

Those who have been systematically murdered include unionists, lawyers, church workers, municipal councillors, human rights advocates and journalists. These killings continue almost daily and are depressingly commonplace.

The common factor that links the victims of these crimes is that they have all been outspoken on issues of justice, poverty, civil liberties, workers' rights and human rights. They have advocated on behalf of the poor and oppressed in the Philippines, and many of them have been directly critical of the Arroyo government.

Links tying these abuses to the Arroyo government have been clearly established by many international organisations, including Amnesty International and the United Nations. Professor Philip Alston, an Australian human rights academic and the United Nations Special Rapporteur on extrajudicial, summary, or arbitrary executions, investigated these killings and concluded that

'the executive branch of the Philippine government, openly and enthusiastically aided by the military, has worked resolutely to impede the work of party-list groups and to put in question their right to operate freely'.

This may explain why so few of these crimes have been appropriately investigated and those responsible for these atrocities have not been brought to justice.

Given that Ka Bel operated in an environment where so many of his colleagues and friends were murdered it is a great testament to his commitment and strength that he did not bow to such intimidation.

Despite the great risks he continued to strive with many other Filipinos to bring about social
change; publicly challenging injustice and toiling alongside people from all walks of life in the Philippines.

I question whether many of us here in this place would have the stamina to continue our work while our party members and staff were systematically murdered. These brutal examples of the failure of one of the basic duties of the state—to protect its citizens—show us the value of strengthening our public institutions and political freedoms. It also reminds us that we must shun, reject and punish those people or political parties who practise violence and persecution.

These examples certainly put the achievements of Ka Bel into perspective. He fought for people’s right to a safe, secure and prosperous life when in the process he endangered his own.

This was why he gained the respect of the public even as the Arroyo regime continued to persecute him and publicly demonise his fellow activists.

I express my deepest condolences to Ka Bel’s family and join workers, friends and colleagues in celebrating his life and the achievements he fought for. He was a man whose vision was matched by his dedication and resolve. In closing I look forward to working with Filipinos dedicated to pursuing, and ultimately achieving, Ka Bel’s vision of a better society.

Meat and Livestock Australia

Senator JOYCE (Queensland) (9.17 pm)—I seek leave to incorporate an adjournment speech by Senator Watson on Meat and Livestock Australia.

Leave granted.

Senator WATSON (Tasmania) (9.17 pm)—The incorporated speech read as follows—

I rise tonight on behalf of farmers who have raised their strong concerns to me regarding the efficiency and accountability of Meat and Livestock Australia.

According to their web site ‘Meat and Livestock Australia or MLA is a producer-owned company that works in partnership with industry and government to achieve a profitable and sustainable red meat and livestock industry.’

The MLA web site goes on to say that ‘we work with industry and government to protect and increase our access to markets, providing the market intelligence and analysis that supports Australia’s position in trade negotiations’.

Primarily funded by a $5.00 transaction fee for every head of cattle sold and 2% of the total sales price for mutton and lambs MLA enjoys a total budget of $96 million dollars annually including an increase of $16 million in the last 12 months.

In return MLA are to provide Research and Development and marketing services to the Australian red meat industry.

Yet sale yard prices have dropped and the producers’ share of the consumer dollar continues to be eroded. As an example, United States beef producers receive 47% of the consumer dollar; while Australian producers receive between 22% and 28%. For their higher return United States producers only pay $1 per head levy a full $4 less than their Aussie counterparts.

Considering that the cost of fertiliser and other key components required for sustainable production continue to spike in some cases triple producers input costs, it is little wonder farmers are seeking answers to their questions on MLA efficiencies and accountability.

Australian meat producer’s levies have funded the Meat Standards Australia eating quality assurance program and the National Livestock Identification Scheme both of which are seen by farmers as bureaucratic failures when you consider markets obtained through the BSE scare are being fast eroded due to the return of the United States who I might add have no costly trace back system in place yet are able to re-enter lucrative markets throughout Asia.

The return of the United States into Australia’s third largest beef export market, South Korea is having an unsettling impact on the Australian market in the short-term and as a result Australian cattle numbers are falling due to a basic lack of profit. With the United States threatening to take South Korea to the World Trade Organisation, Australian cattle producers can only wonder how long the current protests of South Korean consumers can hold out against the might of the United States.
Despite encouragement from all levels of the cattle industry for the current Labor Government to ensure any free trade agreement is similar to the one South Korea has signed with the USA; producers wait with fingers crossed that the promised feasibility study on a possible Free Trade Agreement will be released soon.

USA have their Free Trade Agreement; Australia is only up to the feasibility study stage.

Let’s for a moment compare the global price for beef and the following alarming statistics will be revealed. When converted to Australian dollar dressed weight—UK producers receive $5.29, Ireland producers receive $5.42, Italian producers $5.93, Brazil producers $3.04, whilst Australian producers receive $2.83. What happened to the quality standards and trace back systems being MLA’s answer to improved market access and therefore more profits.

Currently large tracts of land in the Northern Territory is up for sale as pastoralists seek to exit the cattle industry before market conditions in their industry deteriorate any further. It has also been reported that with carbon credits likely to come from plantations, big areas of the Territory may be given over to wide-scale forestry. Wasn’t food production in northern Australia the 2020 Summit’s answer to maintain food production through climate change?

Let me now move to the sheep meat industry. New Zealand is the world’s fourth largest producer of lamb and mutton. Despite Australia being ahead as the third largest, New Zealand is the world leader in sheep meat exports and is therefore Australia’s largest competitor in world lamb and mutton markets.

Our Prime Minister Kevin Rudd recently visited China full to the brim with good intentions of restarting the currently frozen discussion between Australia and China on a Free Trade Agreement. He has returned empty handed.

Meanwhile his New Zealand counterpart took home the completed article—a Free Trade Agreement with China that is expected to hurt Australian lamb producers. Despite being unable to speak fluent Mandarin, Prime Minister Clark was able to negotiate a good deal for her farmers including 35% of New Zealand exports to China will be tariff-free by October this year, falling to zero by 2016.

After being beaten over the line by our New Zealand neighbours, Australian producers will now need to concentrate on specific markets in China to compete.

In fact Australian farmer’s ability to tap into the growing demand for food in the markets such as China and India is essential.

I will now return to my initial question of the efficiency and accountability of Meat and Livestock Australia. Farmers are contributing the $96 million budget to as previously stated protect and increase Australia’s access to markets.

With prices falling, access to key markets in decline, free trade agreements on hold and expensive quality assurance and trace back systems are failing to meet their expectations I believe it time future MLA funding be linked to outcomes and performance. After all, farmer levies are paying the bill.

Senate adjourned at 9.17 pm

DOCUMENTS
Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Civil Aviation Act—Civil Aviation Safety Regulations—Airworthiness Directives—Part—105—

AD/B767/243—Engine Indication and Crew Alerting System [F2008L02099]*.

AD/CESSNA 180/64—Nose Gear Tunnel Access Hole Plug Button [F2008L01805]*.

AD/CL-600/100—Fuel Tube Coupling – Electrical Bonding [F2008L01927]*.

AD/DA42/5—Aileron Bellcrank and Rod Ends [F2008L01928]*.
AD/EMB-120/47—Fuel Booster Pump Electrical Wiring [F2008L02116]*.

AD/EMB-145/1—State of Design ADs [F2008L02101]*.

AD/EMB-145/2—Vent and Pilot Valve Electrical Wiring Conduits [F2008L02129]*.

AD/EMB-145/3—Pilot and TAT Current Sensor Relays [F2008L02130]*.

AD/EMB-145/4—Engine Thrust Reverser Stow/Transit Switches [F2008L02131]*.

AD/EMB-145/5—Fuel Pump Electrical Connectors [F2008L02132]*.

AD/ERJ-170/4 Amdt 4—Flight Guidance Control Unit [F2008L02103]*.

AD/ERJ-190/3 Amdt 1—Flight Guidance Control System [F2008L02102]*

AD/F100/73 Amdt 1—Wing-to-Fuselage Fairings [F2008L01936]*.

106—

AD/BR700/12—Damaged Engine Material [F2008L02127]*.

AD/MAKILA/9 Amdt 1—Engine Control Unit – Comparator/Selection Board [F2008L02100]*.

AD/TPE 331/63 Amdt 1—Fuel Control Unit Drive Spline [F2008L02128]*.

107—AD/PARA/18—VIGIL Parachute Automatic Activation Device [F2008L02093]*.


Corporations Act—ASIC Class Order [CO 08/285] [F2008L02091]*.

Financial Management and Accountability Act—Determination 2008/30—Section 32 (Transfer of Functions from the former DEWR to FaHCSIA) [F2008L02098]*.

Health Insurance Act—

Health Insurance (Accredited Pathology Laboratories — Approval) Amendment Principles 2008 (No. 1) [F2008L02105]*.

Health Insurance (Positron Emission Tomography) Determination 2008 [F2008L02115]*.

Higher Education Support Act—Higher Education in External Territories Guidelines 2008 [F2008L02047]*.

Housing Assistance Act—Housing Assistance (Form of Agreement) Determination 2008 [F2008L02114]*.

National Health Act—Pharmaceutical Benefits Amendment Determination under paragraph 98B(1)(a) No. 11 [F2008L02117]*.

Private Health Insurance Act—

Private Health Insurance (Accreditation) Rules 2008 [F2008L02106]*.

Private Health Insurance (Data Provision) Rules 2008 [F2008L02089]*.

Private Health Insurance (Health Insurance Business) Rules 2008 [F2008L02090]*.

Remuneration Tribunal Act—

Determinations—


2008/10: Principal Executive Office (PEO) Classification Structure and Terms and Conditions [F2008L02074]*.

Social Security Act—Social Security Exempt Lump Sum (Climate Change Adjustment Program Re-establishment Grant) (FaHCSIA) Determination 2008 [F2008L02094]*.
Sydney Airport Curfew Act—Dispensation Report 07/08.

Trade Practices Act—Pricing Principles for the Unconditioned Local Loop Service Amendment Determination 2008 (No. 1) [F2008L02120]*.

* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE
The following answers to questions were circulated:

**Lighting Energy Efficiency**
*(Question No. 344)*

*Senator Allison* asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 4 March 2008:

Given: (a) the announcement of the then Minister for the Environment and Water Resources on 20 February 2007 that conventional, incandescent light bulbs are to be phased out over the next 3 years and replaced with energy-saving globes; (b) the release of a discussion paper on 17 December 2007 on the proposed phase-out of incandescent bulbs and a minimum energy standard of 15 lumens per watt by 2010 and 20 lumens per watt by 2013; (c) that market-proven compact fluorescent lamps (CFLs) represent more than 15 per cent of the market share, with sales increasing rapidly and exponentially; (d) that CFLs are typically 60 lumens per watt, which is four times more efficient than the cut-off threshold proposed in the discussion paper; (e) that the additional benefits of high efficiency lighting are the energy savings and longer lifetime; and (f) that compared to incandescent lamps, high efficiency lighting saves in the order of $50 to $100 over its lifetime, has, on average, a 3 year payback and delivers a very competitive greenhouse abatement cost of $3 per tonne:

(1) What policy options, other than the Minimum Energy Performance Standards (MEPS), were considered.

(2) Was a simplified energy label, supported by government promotion of high efficiency lighting solutions or rebates for efficient lamps, considered.

(3) What role did industry play in forming this standard.

(4) Given that setting a higher MEPS level and faster timetable or faster MEPS would be consistent with the Minister’s policy objectives, why is a lower and slower MEPS being implemented.

*Senator Wong*—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) In addition to mandatory Minimum Energy Performance Standards (MEPS), the Government has considered policy options for voluntary and mandatory labelling. The current proposal incorporates a combination of mandatory MEPS and labelling initiatives. The initiative will commence with the introduction of the minimum standard which will establish the baseline of acceptable efficiency for lighting. It is also proposed that a mandatory labelling scheme will be developed in consultation with industry to provide the consumer with information on energy efficiency and lighting quality issues. This matter will be further discussed in the draft lighting Regulatory Impact Statement which is scheduled for public release later in 2008.

(2) Labelling is proposed to be part of the approach to improve lighting energy efficiency. Rebates were considered but not supported as the preferred policy instrument where information has a high probability of changing consumer purchase behaviour.

(3) The lighting industry, through Lighting Council Australia, was regularly consulted during the development of these proposals. The lighting industry provided information on current usage of lighting products in Australia, and on present and likely future availability of efficient alternatives to inefficient lighting products. As is usual with the MEPS program, the new lighting standards were developed though Standards Australia Committees, which include key industry representatives.
The introduction of more stringent MEPS with a faster timetable would need to consider the availability of suitable low cost replacement products. In particular, consideration would be needed for more complex lighting systems including those that incorporate dimmers, sensors, timers and other forms of electronic control.

The phase-out will be undertaken in stages from 2009-2015. The first step of the phase-out will eliminate all General Lighting Service (GLS) bulbs – normal incandescent bulbs. This plan presents a practical solution that allows the continued use of the most efficient and specialised forms of incandescent lighting until alternatives are readily available.

The timing of the phase-out will be subject to annual reviews investigating the availability of cost effective and energy efficient alternatives. Should the timing of the availability of alternatives change significantly against current industry expectations, the phase-out schedule will be adjusted accordingly.

**Greenhouse Gas Emissions: Transport Sector**

*(Question No. 348)*

Senator Allison asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 4 March 2008:

Given that: (a) the transport and stationary energy sectors are the largest greenhouse emitting sectors in Australia; (b) the stationary energy and other sectors have much less capacity for reductions than the transport sector; (c) motor vehicles are responsible for approximately 80 per cent of transport emissions, with public transport responsible for 3 per cent; (d) with oil approaching $US100 a barrel, demand for mass transport has risen by 20 per cent since the beginning of 2007 and is likely to rise another 10 per cent in 2008:

1. What plan is in place to achieve cuts from the transport sector by 2010.
2. What strategic direction has been provided to state governments in line with stated greenhouse emission cuts.
3. What strategic direction and actions are being taken to develop alternative fuels.
4. What plans are there to abolish tax concessions and subsidies for road transport.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

1. and 2) Commonwealth and state governments are working together to design a package of fuel efficiency measures to increase the efficiency of Australia’s vehicle fleet for consideration by the Environment Protection and Heritage Council and the Australian Transport Council.

3. The Australian Government, through the Alternative Fuels Conversion Program, is undertaking trials of promising alternative fuel technologies for heavy duty transport. The aim of the program is to assess the economic and environmental impacts of alternative fuels, particularly natural gas and liquefied petroleum gas. This program focuses on the medium to heavy transport industry and will provide information on the circumstances under which the trialled fuels and technologies will work to provide environmental and economic benefits.

The program is due to finish in June 2008 and the final assessment of the trials conducted will be publicly available before the end of 2008. This information will assist transport operators to make decisions on what alternative fuel might provide benefits under particular circumstances.

The Government is also supporting research and development of next generation biofuel technology through the provision of a total $15 million worth of grants to support the demonstration of ethanol from cellulose.
These matters are part of the broader review of available policy options in this area being undertaken by the Environment Protection and Heritage Council and the Australian Transport Council.

**Surgical Procedures**

(Question No. 360)

Senator Allison asked the Minister representing the Minister for Health and Ageing, upon notice, on 7 March 2008:

1. How many new surgical procedures have been put to the Medical Services Advisory Committee (MSAC) for consideration since 2004.
2. (a) Of these procedures, how many have been recommended by the MSAC to the Minister for funding; and (b) of these recommended procedures: (i) how many have been approved, and (ii) which procedures have not been approved.
3. (a) Which surgical procedures remain to be assessed by the MSAC; and (b) of these procedures, which have been with the MSAC for more than 16 months and what are the reasons for the lack of progress on the assessments.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

1. Since 2004, the Medical Services Advisory Committee (MSAC) has received 33 applications to assess Surgical Procedures. A ‘surgical procedure’ is defined for this purpose to be a procedure that is eligible to be considered for inclusion in Group T8 (Surgical Operations) of the Medicare Benefits Schedule.

2. (a) Five of the 33 applications were referred from the Australian Health Ministers’ Advisory Council (AHMAC) as part of a Nationally Funded Centre (NFC) program. The NFC is a nationally endorsed program for public sector provision of high cost, highly specialised clinical practices and technologies with limited demand. AHMAC, rather than the Minister for Health and Ageing, is the ultimate recipient of this advice.

   - Of the remaining 28 applications:
   - five are currently being assessed by MSAC; and
   - 23 have been considered by the Minister.

   (b) (i) Of the 23 recommendations considered by the Minister:
   - 16 were to support some form of public funding (the Minister endorsed these recommendations); and
   - seven were to not support public funding (the Minister endorsed these recommendations).

   (ii) The following seven procedures were not recommended for public funding:
   - Application 1083 – Intacs implants;
   - Application 1091 – Laparoscopic remotely assisted radical prostatectomy;
   - Application 1093 – Endovascular neurointerventional procedures;
   - Application 1099 – Lumbar non-fusion posterior stabilisation devices;
   - Application 1100 – Intersphincteric injection of silicone biomaterial for severe passive faecal incontinence;
   - Application 1112 – Intragastric balloon; and
   - Reference 34 – Gamma knife radiosurgery.

3. (a) The following five procedures are being assessed by MSAC:
   - Application 1109 – Deep brain stimulation for essential tremor and dystonia;
- Application 1115 – SNS in Refractory Urinary Dysfunction;
- Application 1118 – Vagus Nerve Stimulation Therapy;
- Application 1123 – Computer Assisted Total Knee Arthroplasty (CATKA); and
- Application 1124 – Cryotherapy for Recurrent Prostate Cancer and Renal Cancer.

(b) As at 26 May 2008, none of these five assessments have been in progress for longer than 16 months.

Water
(Question No. 373)

Senator Allison asked the Minister for Climate Change and Water, upon notice, on 17 March 2008:
Given: (a) the disturbing trend of state governments taking water from agriculture and the environment and diverting it into wasteful urban areas, in preference to adopting lower cost urban water efficiency and demand management activities, occurring at a net loss to the economy through loss of productive farming capacity and consequently increased costs of agricultural products; (b) the study submitted by the Institute for Sustainable Futures to the Rural and Regional Affairs and Transport Committee’s inquiry into options for additional water supplies for south east Queensland, Review of water supply-demand options for South East Queensland, which found that water savings from demand management activities could deliver an additional 230 billion litres of water each year at a cost of $1.15 per kilolitre, which is less than the estimated cost (between $3.38 and $4.65 per kilolitre) of the proposed Traveston Crossing Dam, which will only deliver 70 billion litres; and (c) that a kilolitre of water used in agriculture has more potential for value adding than a kilolitre of water used inefficiently in the urban environment and that aggressive water efficiency and harvesting for urban use is cheaper and less environmentally damaging than supply options, such as the Traveston Dam in south east Queensland and the desalination project at Wonthaggi, Victoria:

(1) What benchmarks and assessment of water have been undertaken.
(2) (a) What assessment of water-saving potential has been undertaken; and (b) What is the current market, technological and theoretical water efficiency for Australian cities.
(3) How would such analysis inform water efficiency targets.
(4) What water efficiency targets are being considered.
(5) How will the analysis and the targets inform a national water policy.
(6) How would targets be implemented and achieved.
(7) What priority has the Government to ensure a best practice approach to delivering aggressive water efficiencies and secure sustainable long-term water supplies for urban areas.
(8) Have the recommendations of the report of the Environment, Communications, Information Technology and the Arts References Committee, The value of water - inquiry into Australia’s management of urban water, tabled on 5 December 2002, been considered for adoption.
(9) With reference to the Australian Labor Party’s election statement that there is to be an allocation for urban water efficiency, what is the implementation plan and the timeline for this.
(10) (a) What partnerships with state government, local government and manufacturers of water efficient appliances are being set up; and (b) what is the program for minimum water performance standards for appliances.
(11) Has the department undertaken any analysis of demand-side potential in the south east Queensland area.

QUESTIONS ON NOTICE
(12) Can the department verify the Queensland Government’s research which suggests that a modular desalination plant would cost only an additional 3 per cent of the $1.6 billion that the dam would cost, while protecting threatened species habitat and preserving 10 per cent of Australia’s dairy industry.

(13) What is the involvement of the department with the Queensland Government’s process to assess the environmental impact of the Traveston Dam.

(14) What assessment is being undertaken by the department to identify species and habitat affected by the proposed dam.

(15) What priority is being given to progressing urban water efficiency actions in south east Queensland and thereby avoiding of negative economic and environmental impacts that will be caused by the construction of the Traveston Dam.

(16) Given that the Traveston Dam was deemed a controlled action under the Environment Protection and Biodiversity Conservation Act 1999 in November 2006 and that the Commonwealth has the power under the Act to stop the Traveston Dam if evidence clearly shows that there will be a significant impact on a matter of national environmental significance, will the Government undertake an independent assessment of the environmental impact of the proposed dam or will it solely rely on the recommendation of the Queensland Government.

(17) Have the recommendations contained in the Rural and Regional Affairs and Transport Committee report, Options for additional water supplies for South East Queensland, been considered for adoption.

(18) Was the department aware that site work associated with the construction of the dam was commenced prior to approval.

(19) With reference to the media release of the Queensland Government Minister for Natural Resource and Water (Mr Wallace), dated 21 February 2008, which stated that the Commonwealth Government audit had found that Paradise Dam was compliant with the Act and given that the audit report found that the downstream fishway was only functional with dam capacity above 57 per cent, is the department aware that, due to water allocation commitments, the average water level will be below this level.

(20) Is the department aware of any information to suggest that housing developers with an association to the Queensland Labor Party are purchasing land from landholders whose holdings have been resumed for, or affected by, the dam.

Senator Wong—The answer to the honourable senator’s question is as follows:

(1) and (2): There are numerous water reports available to the public, urban water efficiency included, and I would encourage interested parties to examine them. Reports are also available on the National Water Commission’s website www.nwc.gov.au.

(3) to (7) ‘Water for the Future’ outlines a range of policies to achieve water efficiencies. Using water wisely is one of the four key priorities under Water for the Future. It provides a single national framework that integrates rural and urban water issues and secures the long term water supply of all Australians.

The COAG Working Group on Climate Change and Water is developing a comprehensive new work program on water reform which includes addressing key challenges in urban water. This will be considered by COAG in October 2008.

(8) The Australian Government’s response to this report is available on the Senate website.

(9) ‘Water for the Future’ provides details of a number of the Government’s urban water policies and programs. It includes $1.5 billion in new urban water investments.
(10) The Australian Government works closely with a range of state governments, local governments and manufacturers in administering the Water Efficiency Labelling and Standards Scheme (WELS) which provides for national, mandatory labelling of products to indicate their water efficiency. In response to a request by the Environment and Heritage Council Ministers, the Department of the Environment, Water, Heritage and the Arts is examining the potential to introduce minimum water efficiency standards for WELS-regulated products.

(11) and (12) No.

(13) to (18) The assessment of the Traveston Dam proposal under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) is being conducted pursuant to the requirements of the bilateral agreement between the Australian Government and the state of Queensland. At the conclusion of the assessment process, Queensland will provide its assessment report to the Minister for the Environment, Heritage and the Arts, the Hon Peter Garrett AM MP. Minister Garrett is responsible for the EPBC Act.

The department has provided input and advice to the Queensland Government and the proponent in relation to the draft terms of reference and the draft environmental impact statement, as relevant to matters of national environmental significance. The department has also commissioned independent expert reviews of the information relating to the potential hydrological and faunal impacts of the proposal. This information will be considered in addition to the assessment report of the Queensland Coordinator-General.

The department was notified that a range of geotechnical and other works were to be undertaken. These works were not considered part of the action as referred for the purposes of assessment and approval by the department under the EPBC Act.

An Australian Government response to the Senate Committee Report Options for additional water supplies for South East Queensland is expected to be lodged in the near future.

(19) The department is aware that, under current drought conditions, average water levels in the dam are likely to be lower than the operational water level needed for the downstream fish transfer device to work. This matter is being actively discussed with Burnett Water Pty Ltd.

(20) The Department has no information or knowledge on this matter.

Media Monitoring Service
(Question No. 432)

Senator Abetz asked the Minister for Innovation, Industry, Science and Research, upon notice, on 2 May 2008:

With reference to the answer to question on notice AI-4 from the 2007-08 additional estimates hearings of the Economics Committee detailing the department’s agreement with the Australian Associated Press (AAP) to provide a ‘daily, internet-based print media monitoring service AAP NewsCentre’:

(1) How many users were or are actively allocated access to the service: (a) on 21 February 2008; (b) on 21 April 2008; and (c) now.

(2) How many users of the service are located in each of the Ministers’ office(s).

(3) What is the job description and classification of each of the current users of the service.

Senator Carr—The answer to the honourable senator’s question is as follows:

The Department’s contract with AAP Information Services to provide an electronic media monitoring service for up to 250 licenses to the AAP NewsCentre.

(1) (a) On 21 February 2008, 250 licenses were allocated to users to access the AAP NewsCentre.

(b) On 21 April 2008, 250 licenses were allocated to users to access the AAP NewsCentre.
(c) Currently, we have 202 licences actively allocated to users to access the AAP NewsCentre.
(2) Currently, my office has 10 licenses actively allocated to users to access the AAP NewsCentre. Minister Emerson’s office has 5 licenses actively allocated to users to access the AAP NewsCentre.
(3) The current users include Department officials and Ministerial staff involved in a range of media, policy and program delivery roles. The classification levels are wide-ranging as access to the AAP NewsCentre is based on their job requirements.

**Immigration and Citizenship: Report**

*(Question No. 433)*

**Senator Ellison** asked the Minister for Immigration and Citizenship, upon notice, on 5 May 2008:

(1) How many weekly, fortnightly and monthly reports are prepared by the departmental officials for:
   (a) the Minister (b) the Secretary of the department; and (c) the Deputy Secretaries of the department.

(2) What is the title of each of the reports in (1)(a), (b) and (c).

**Senator Chris Evans**—The answer to the honourable senator’s question is as follows:

(1) and (2) In the course of doing business the Department provides numerous reports to the Minister and Executive on a regular basis.

**Housing Affordability**

*(Question No. 437)*

**Senator Siewert** asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 7 May 2008:

With reference to Commonwealth land in metropolitan areas of Perth, Western Australia:

(a) are any Commonwealth facilities expected to become vested in the State of Western Australia during 2008 to 2018 for the development of affordable housing; (b) are there any plans to redevelop the Irwin and Campbell Barracks and the former Australian Broadcasting Corporation site for affordable housing; and (c) does the Commonwealth have plans to make any Commonwealth land available in Western Australia for housing.

**Senator Chris Evans**—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

The Government is developing new arrangements for the disposal of surplus Commonwealth land to ensure land is being used to achieve more affordable housing, improve community amenity and create more jobs.

No decision has been made on release of surplus Commonwealth land in Western Australia.