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**SITTING DAYS—2008**

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>12, 13, 14</td>
</tr>
<tr>
<td>March</td>
<td>11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>May</td>
<td>13, 14, 15</td>
</tr>
<tr>
<td>June</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
<tr>
<td>August</td>
<td>26, 27, 28</td>
</tr>
<tr>
<td>September</td>
<td>1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25</td>
</tr>
<tr>
<td>October</td>
<td>13, 14, 15, 16</td>
</tr>
<tr>
<td>November</td>
<td>10, 11, 12, 13, 24, 25, 26, 27</td>
</tr>
<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
</tr>
</tbody>
</table>

**RADIO BROADCASTS**
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- SYDNEY 630 AM
- NEWCASTLE 1458 AM
- GOSFORD 98.1 FM
- BRISBANE 936 AM
- GOLD COAST 95.7 FM
- MELBOURNE 1026 AM
- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
- NORTHERN TASMANIA 92.5 FM
- DARWIN 102.5 FM
FORTY-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
<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
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<td>Adams, Judith</td>
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<td>Allison, Lynette Fay</td>
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<td>Barnett, Guy</td>
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<td>30.6.2008</td>
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<td>Bernardi, Cory (3)</td>
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<td>Bishop, Thomas Mark</td>
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<td>30.6.2008</td>
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<td>Boyce, Suzanne Kay (1)</td>
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<td>Brandis, Hon. George Henry, SC</td>
<td>QLD</td>
<td>30.6.2011</td>
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<td>Brown, Carol Louise (4)</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>ALP</td>
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<tr>
<td>Brown, Robert James</td>
<td>TAS</td>
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<td>AG</td>
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<td>Bushby, David Christopher (9)</td>
<td>TAS</td>
<td>30.6.2008</td>
<td>LP</td>
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<tr>
<td>Campbell, George</td>
<td>NSW</td>
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<td>ALP</td>
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<td>30.6.2011</td>
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<td>Chapman, Hedley Grant Pearson</td>
<td>SA</td>
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<td>Colbeck, Hon. Richard Mansell</td>
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<td>30.6.2008</td>
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<td>30.6.2008</td>
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<td>30.6.2011</td>
<td>ALP</td>
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<td>NSW</td>
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<td>Crossin, Patricia Margaret (3)</td>
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<td>Eggleston, Alan</td>
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<td>Ellison, Hon. Christopher Martin</td>
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<td>Evans, Hon. Christopher Vaughan</td>
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<td>Faulkner, Hon. John Philip</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
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<td>Ferguson, Hon. Alan Baird</td>
<td>SA</td>
<td>30.6.2011</td>
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<td>Fielding, Steve</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>FF</td>
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<td>Fierravanti-Wells, Concetta Anna</td>
<td>NSW</td>
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<td>Fifield, Mitchell Peter (2)</td>
<td>VIC</td>
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<td>Fisher, Mary Jo (7)</td>
<td>SA</td>
<td>30.6.2011</td>
<td>LP</td>
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<td>Forshaw, Michael George</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
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<td>Heffernan, Hon. William Daniel</td>
<td>NSW</td>
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<td>Hogg, John Joseph</td>
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<td>ACT</td>
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<td>LP</td>
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<td>Hurley, Annette</td>
<td>SA</td>
<td>30.6.2011</td>
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<td>Hutchins, Stephen Patrick</td>
<td>NSW</td>
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<td>Johnston, Hon. David Albert Lloyd</td>
<td>WA</td>
<td>30.6.2008</td>
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<td>Joyce, Barnaby</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>NATS</td>
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<td>Kemp, Hon. Charles Roderick</td>
<td>VIC</td>
<td>30.6.2008</td>
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<td>Kirk, Linda Jean</td>
<td>SA</td>
<td>30.6.2008</td>
<td>ALP</td>
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<td>Lightfoot, Philip Ross</td>
<td>WA</td>
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<td>LP</td>
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<td>Lundy, Kate Alexandra (3)</td>
<td>ACT</td>
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<td>Macdonald, Hon. Ian Douglas</td>
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<td>30.6.2008</td>
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<td>Macdonald, Hon. John Alexander Lindsay (Sandy)</td>
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<td>McEwen, Anne</td>
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<td>30.6.2011</td>
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<td>30.6.2011</td>
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<td>McLucas, Hon. Jan Elizabeth</td>
<td>QLD</td>
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<td>Marshall, Gavin Mark</td>
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<td>30.6.2008</td>
<td>ALP</td>
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<td>Mason, Hon. Brett John</td>
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<td>30.6.2011</td>
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<td>Milne, Christine</td>
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<td>30.6.2011</td>
<td>AG</td>
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<td>Minchin, Hon. Nicholas Hugh</td>
<td>SA</td>
<td>30.6.2011</td>
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<td>Moore, Claire Mary</td>
<td>QLD</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
<tr>
<td>Murray, Andrew James Marshall</td>
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<td>30.6.2008</td>
<td>AD</td>
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<td>Nash, Fiona Joy</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>NATS</td>
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<td>Nettle, Kerry Michelle</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>AG</td>
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<td>O’Brien, Kerry Williams Kelso</td>
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<td>30.6.2011</td>
<td>ALP</td>
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<td>Parry, Stephen</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
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<tr>
<td>Patterson, Hon. Kay Christine Lesley</td>
<td>VIC</td>
<td>30.6.2008</td>
<td>LP</td>
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<td>Payne, Marise Ann</td>
<td>NSW</td>
<td>30.6.2008</td>
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<td>TAS</td>
<td>30.6.2011</td>
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<td>Ronaldson, Hon. Michael</td>
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<td>CLP</td>
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<td>TAS</td>
<td>30.6.2008</td>
<td>ALP</td>
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<td>Siewert, Rachel</td>
<td>WA</td>
<td>30.6.2011</td>
<td>AG</td>
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<tr>
<td>Stephens, Hon. Ursula Mary</td>
<td>NSW</td>
<td>30.6.2008</td>
<td>ALP</td>
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<td>Sterle, Glenn</td>
<td>WA</td>
<td>30.6.2011</td>
<td>ALP</td>
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<td>Stott Despoja, Natasha Jessica</td>
<td>SA</td>
<td>30.6.2008</td>
<td>AD</td>
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<td>Trooth, Hon. Judith Mary</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>LP</td>
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<td>Trood, Russell</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>LP</td>
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<td>Watson, John Odin Wentworth</td>
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<td>30.6.2008</td>
<td>LP</td>
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<td>Webber, Ruth Stephanie</td>
<td>WA</td>
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<td>ALP</td>
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<td>Wong, Hon. Penelope Ying Yen</td>
<td>SA</td>
<td>30.6.2008</td>
<td>ALP</td>
</tr>
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<td>Wortley, Dana</td>
<td>SA</td>
<td>30.6.2011</td>
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</tr>
</tbody>
</table>

(1) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. Santo Santoro, resigned.
(2) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Richard Kenneth Robert Alston, resigned.
(3) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.
(4) Chosen by the Parliament of Tasmania to fill a casual vacancy vice Susan Mary Mackay, resigned.
(5) Chosen by the Parliament of South Australia to fill a casual vacancy vice Hon. Robert Murray Hill, resigned.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy vice Jeannie Margaret Ferris, died in office.
(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]
Minister for Home Affairs  
Hon. Bob Debus MP

Assistant Treasurer and Minister for Competition Policy and Consumer Affairs  
Hon. Chris Bowen MP

Minister for Veterans’ Affairs  
Hon. Alan Griffin MP

Minister for Housing and Minister for the Status of Women  
Hon. Tanya Plibersek MP

Minister for Employment Participation  
Hon. Brendan O’Connor MP

Minister for Defence Science and Personnel  
Hon. Warren Snowdon MP

Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation  
Hon. Dr Craig Emerson MP

Minister for Superannuation and Corporate Law  
Senator Hon. Nick Sherry

Minister for Ageing  
Hon. Justine Elliot MP

Minister for Youth and Minister for Sport  
Hon. Kate Ellis MP

Parliamentary Secretary for Early Childhood Education and Childcare  
Hon. Maxine McKew MP

Parliamentary Secretary for Defence Procurement  
Hon. Greg Combet AM, MP

Parliamentary Secretary for Defence Support  
Hon. Dr Mike Kelly AM, MP

Parliamentary Secretary for Regional Development and Northern Australia  
Hon. Gary Gray AO, MP

Parliamentary Secretary for Disabilities and Children’s Services  
Hon. Bill Shorten MP

Parliamentary Secretary for International Development Assistance  
Hon. Bob McMullan MP

Parliamentary Secretary for Pacific Island Affairs  
Hon. Duncan Kerr MP

Parliamentary Secretary to the Prime Minister  
Hon. Anthony Byrne MP

Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion  
Senator Hon. Ursula Stephens

Parliamentary Secretary to the Minister for Trade  
Hon. John Murphy MP

Parliamentary Secretary to the Minister for Health and Ageing  
Senator Hon. Jan McLucas

Parliamentary Secretary for Multicultural Affairs and Settlement Services  
Hon. Laurie Ferguson MP
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations
Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government
Leader of the Opposition in the Senate and Shadow Minister for Defence
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research Shadow Treasurer
Manager of Opposition Business in the House and Shadow Minister for Health and Ageing
Shadow Minister for Foreign Affairs
Shadow Minister for Trade
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector
Shadow Minister for Agriculture, Fisheries and Forestry
Shadow Minister for Human Services
Shadow Minister for Education, Apprenticeships and Training
Shadow Minister for Climate Change, Environment and Urban Water
Shadow Minister for Finance, Competition Policy and Deregulation
Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship
Shadow Minister for Broadband, Communications and the Digital Economy
Shadow Attorney-General
Shadow Minister for Resources and Energy and Shadow Minister for Tourism
Shadow Minister for Regional Development, Water Security

Hon. Brendan Nelson MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Nick Minchin
Senator Hon. Eric Abetz
Hon. Malcolm Turnbull MP
Hon. Joe Hockey MP
Hon. Andrew Robb MP
Hon. Ian Macfarlane MP
Hon. Tony Abbott MP
Senator Hon. Nigel Scullion
Senator Hon. Helen Coonan
Hon. Tony Smith MP
Hon. Greg Hunt MP
Hon. Peter Dutton MP
Senator Hon. Chris Ellison
Hon. Bruce Billson MP
Senator Hon. George Brandis
Senator Hon. David Johnston
Hon. John Cobb MP

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

Shadow Minister for Justice and Border Protection; Assisting Shadow Minister for Immigration and Citizenship
Hon. Chris Pyne MP

Shadow Special Minister of State
Senator Hon. Michael Ronaldson

Shadow Minister for Small Business, the Service Economy and Tourism
Steven Ciobo MP

Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs
Hon. Sharman Stone MP

Shadow Assistant Treasurer and Shadow Minister for Superannuation and Corporate Governance
Michael Keenan MP

Shadow Minister for Ageing
Margaret May MP

Shadow Minister for Defence Science, Personnel; Assisting Shadow Minister for Defence
Hon. Bob Baldwin MP

Deputy Manager of Opposition Business in the House and Shadow Minister for Business Development, Independent Contractors and Consumer Affairs
Luke Hartsuyker MP

Shadow Minister for Veterans’ Affairs
Hon. Bronwyn Bishop MP

Shadow Minister for Employment Participation and Apprenticeships and Training
Andrew Southcott MP

Shadow Minister for Housing and Shadow Minister for Status of Women
Hon. Sussan Ley MP

Shadow Minister for Youth and Sport
Hon. Pat Farmer MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary
Don Randall MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition in the Senate and Shadow Parliamentary Secretary for Northern Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Health
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Education
Senator Hon. Brett Mason

Shadow Parliamentary Secretary for Defence
Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Infrastructure, Roads and Transport
Barry Haase MP

Shadow Parliamentary Secretary for Trade
John Forrest MP

Shadow Parliamentary Secretary for Immigration and Citizenship
Louise Markus MP

Shadow Parliamentary Secretary for Local Government
Sophie Mirabella MP

Shadow Parliamentary Secretary for Tourism
Jo Gash MP

Shadow Parliamentary Secretary for Ageing and the Voluntary Sector
Mark Coulton MP

Shadow Parliamentary Secretary for Foreign Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Families and Community Services
Senator Cory Bernardi
CONTENTS

MONDAY, 23 JUNE

Chamber

Business—
  Rearrangement ................................................................................................................ 2987
Commonwealth Securities and Investment Legislation Amendment Bill 2008—
  Second Reading .............................................................................................................. 2987
  Third Reading ................................................................................................................. 2993
Social Security and Other Legislation Amendment (Employment Entry Payment) Bill 2008—
  Second Reading .............................................................................................................. 2993
  Third Reading ................................................................................................................. 2995
Reserve Bank Amendment (Enhanced Independence) Bill 2008—
  Second Reading .............................................................................................................. 2995
Ministerial Arrangements ................................................................................................. 3008

Questions Without Notice—
  Oil Conference ............................................................................................................... 3008
  Budget ............................................................................................................................ 3009
  Hybrid Vehicles .............................................................................................................. 3010
  Budget ............................................................................................................................ 3012
  Hybrid Vehicles .............................................................................................................. 3013
  Climate Change ............................................................................................................ 3014
  Climate Change ............................................................................................................ 3015
  Zimbabwe ..................................................................................................................... 3017
  Telecommunications ...................................................................................................... 3018
  Higher Education ......................................................................................................... 3019
  Parliamentary Secretary for Multicultural Affairs and Settlement Services ............ 3020
  Child Support ................................................................................................................ 3021

Workplace Relations ........................................................................................................ 3022

Questions Without Notice: Additional Answers—
  Hybrid Vehicles .............................................................................................................. 3022

Parliamentary Language ................................................................................................. 3022

Questions Without Notice: Take Note of Answers—
  Oil Conference ............................................................................................................... 3023
  Climate Change ............................................................................................................ 3029

Petitions—
  Goods and Services Tax Exemption for Aged Pensioners .............................................. 3030

Notices—
  Presentation ...................................................................................................................... 3030

Committees—
  Legal and Constitutional Affairs Committee—Extension of Time ........................... 3037

Notices—
  Postponement ................................................................................................................ 3037

United Nations .................................................................................................................. 3037

Independent Reviewer of Terrorism Laws Bill 2008—
  First Reading .................................................................................................................. 3038
  Second Reading .............................................................................................................. 3038

Aung San Suu Kyi ............................................................................................................. 3040

Committees—
  Community Affairs Committee—Report ..................................................................... 3040
CONTENTS—continued

Ministerial Statements—
Australian Participation in OECD Working Group on Bribery ........................................ 3041
Commonwealth Chief Nursing And Midwifery Officer And Other Health Reforms .... 3041
East Timor ................................................................................................................................ 3041

Committees—
Employment, Workplace Relations and Education References Committee—
Report: Government Response ............................................................................................... 3045

Auditor-General’s Reports—
Report No. 42 of 2007-08............................................................................................... 3046

Parliamentary Zone—
Proposal for Works ............................................................................................................. 3046

Australian Energy Market Amendment (Minor Amendments) Bill 2008—
First Reading ...................................................................................................................... 3047
Second Reading .................................................................................................................... 3047

Committees—
Economics Committee—Report ........................................................................................ 3048

Reserve Bank Amendment (Enhanced Independence) Bill 2008—
Second Reading .................................................................................................................. 3052

Election Commitments—
Return to Order .................................................................................................................. 3058

Reserve Bank Amendment (Enhanced Independence) Bill 2008—
In Committee ...................................................................................................................... 3058
Third Reading ...................................................................................................................... 3067

Indigenous Affairs Legislation Amendment Bill 2008—
Second Reading .................................................................................................................... 3067
Third Reading ...................................................................................................................... 3067

Appropriation (Parliamentary Departments) Bill (No. 1) 2008-2009................................. 3081
Appropriation Bill (No. 1) 2008-2009.................................................................................. 3081
Appropriation Bill (No. 2) 2008-2009—
Second Reading .................................................................................................................. 3081

Adjournment—
Telstra ................................................................................................................................ 3116
Griffith University .............................................................................................................. 3119
Western Australian Resources Sector: The Jones Family ................................................. 3121

Documents—
Tabling ............................................................................................................................... 3122

Questions On Notice
Broadband, Communications and the Digital Economy: Government
Appointments and Grants—(Question No. 131) ................................................................. 3123
United Nations—(Question No. 303 amended) ............................................................. 3124
Climate Change—(Question No. 382) ............................................................................. 3128
Australian Broadcasting Corporation—(Question No. 411) ......................................... 3130
International Assessment of Agricultural Knowledge, Science and Technology for Development—(Question No. 429) ................................. 3130
Drug Imports—(Question No. 436) ............................................................................... 3131
The PRESIDENT (Senator the Hon. Alan Ferguson) took the chair at 12.30 pm and read prayers.

BUSINESS

Rearrangement

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (12.31 pm)—I move:

That—

(a) the sitting of the Senate be suspended from 6.30 pm to 7.30 pm today; and

(b) the order of consideration of government business orders of the day for today be as follows:

No. 1 Commonwealth Securities and Investment Legislation Amendment Bill 2008
No. 3 Social Security and Other Legislation Amendment (Employment Entry Payment) Bill 2008
No. 4 Reserve Bank Amendment (Enhanced Independence) Bill 2008
No. 2 Indigenous Affairs Legislation Amendment Bill 2008
No. 6 Appropriation (Parliamentary Departments) Bill (No. 1) 2008-2009 and two related bills.

Question agreed to.

COMMONWEALTH SECURITIES AND INVESTMENT LEGISLATION AMENDMENT BILL 2008

Second Reading

Debate resumed from 18 June, on motion by Senator Chris Evans:

That this bill be now read a second time.

Senator MURRAY (Western Australia) (12.31 pm)—I have been known to rescue the Senate before, Mr President, but hopefully my speaking first will cause the opposition some consternation because I am not going to be speaking for long, so the opposition needs to find its speaker. With those brief remarks, I turn to the bill before us, the Commonwealth Securities and Investment Legislation Amendment Bill 2008. The bill amends three acts to empower the Treasurer to borrow money on behalf of the Commonwealth by issuing stock in Australian currency and to invest public money in authorised investments. The bill also expands the types of assets that are acceptable as collateral in Commonwealth securities lending arrangements.

The explanatory memorandum for the bill says that it wishes to ensure the efficient operation of Australia’s financial markets by paving the way for the issuance of a further $25 billion worth of Commonwealth government securities, especially fixed coupon treasury bonds. The Treasurer’s media release of 20 May 2008 said:

The Government’s decision to increase CGS issuance—in other words, Commonwealth government securities issuance—is consistent with the decision of the previous federal government—the Howard government—announced in the 2003-04 Budget, to maintain the CGS market. In announcing that decision, the previous government noted that “this will entail ensuring sufficient CGS remains on issue to support the Treasury bond futures market”. I think the point of this bill is that it continues a sensible decision by the previous government, the Howard government, which was toying—on advice, as I understand it—with the idea of withdrawing from the bonds market altogether. I recall the discussion and consternation that that caused in the financial media and in financial securities markets, because essentially the status of the Commonwealth government in the bonds market is essential to underpin both its activity and
its continuity. It is very important that the Commonwealth does indeed remain an active player in the bonds market.

One of the reasons that it was under review was that the Commonwealth felt at that time that it had no financial reason for needing to be in the bonds market. Debt had been very significantly reduced—I think the coalition will claim that it was reduced altogether, but of course there are others who take the view that, if you take an expansive view of debt, namely to do with long-term liabilities including superannuation, that is never so. But the fact is that the government’s cash flow was and is strong. It remains strong. We are generating surpluses. Our income is ahead of our expenditure. On those grounds, you would not normally need to raise funds, because you are highly liquid. So, if you were a company, you would not be in the bonds market. But we are not a company; we are a Commonwealth, and it is very, very important to the stability and the future, the certainty and the status of our financial securities markets that we remain in the bonds market.

With those remarks, you will gather that the Democrats support this bill. We have long been supporters of the bonds market. If the coalition had decided—which they did not, very wisely—to pull out of the bonds market, we would have opposed that because we would have thought it a wrong policy. But they did not adopt that policy, so that is good. We think this bill deserves the support of all parties, and I therefore commend the bill to the Senate.

Senator COONAN (New South Wales) (12.36 pm)—I am grateful to Senator Murray for speaking before me on the Commonwealth Securities and Investment Legislation Amendment Bill 2008. The opposition will not be opposing the bill, but I do want to make some comments in relation to taking that position.

The purpose of the bill is threefold. The bill will enable the government to increase the stock of Commonwealth government securities on issue by $25 billion to $75 billion. The government has announced its intention to increase the stock of the CGS by $5 billion in 2008-09, on top of the current planned issuance of $5.3 billion that will replace stock that is maturing. The bill will also widen the investment mandate to enable the government to invest the proceeds of the CGS in Australian dollar denominated instruments of investment grade—that is, Standard and Poor’s rated BBB and above. The bill will also enable the Australian Office of Financial Management to accept a broader range of collateral when lending CGS.

In 2002 the former Treasurer Peter Costello commissioned Treasury to undertake a study into whether the government should continue with the Commonwealth government securities market, which market participants said was essential to provide liquidity to the market. With the coalition’s successful policies to eliminate government debt, the coalition announced in the 2003-04 budget the retention of the CGS market to offset unfunded superannuation liabilities. The 2008-09 budget forecasts net debt to fall to a negative $106 billion by 2011-12.

Since CGSs are, in effect, liabilities of the Commonwealth government and considered risk free by the market, the funds received from selling CGS have been invested by the Australian Office of Financial Management in a range of authorised investments. These currently include securities issued or guaranteed by the Commonwealth or an Australian state or territory, a deposit with a bank, and debt instruments issued or guaranteed by the government of a foreign country.
The bill proposes to amend the following acts: the Commonwealth Inscribed Stock Act 1911, to provide authority for the Treasurer on behalf of the Commonwealth to issue Commonwealth government securities in Australian currency to a value not exceeding $75 billion—as the current stock is around $50 billion, this will allow an additional issuance of $25 billion; the Financial Management and Accountability Act 1997, to broaden the Treasurer’s investment powers and extend the range of authorised investments in which the Treasurer may invest public moneys; and the Loan Securities Act 1919, to allow the Treasurer to enter into securities lending arrangements involving CGS and to allow a wider range of collateral to be accepted in connection with such securities lending arrangements.

The broadening of the investment mandate will enable the Treasurer, through the AOFM, to include debt instruments denominated in Australian currency with an investment credit rating—that is, Standard and Poor’s BBB and above. The bill provides that the Treasurer would be able to give directions only on the classes of investments in which delegates may invest on matters of risk and return in relation to investment activity. These directions must be tabled in parliament within 15 sitting days.

Since both sides of government support the existence of a Commonwealth securities market, it is reasonable that its size should be allowed to expand somewhat to accommodate the growth of Australia’s financial sector since the 2002 announcement. It will also inject further liquidity into the markets, especially in some CGS lines that are in relatively short supply. More problematic perhaps is the expansion of the range of instruments in which the AOFM might invest Commonwealth funds. In effect, the government borrows money at the risk-free rate by issuing CGS and then invests the proceeds in riskier instruments, which generally can be expected to have higher returns. So it may normally be expected that the AOFM would profit from these transactions. However, by taking riskier instruments, there is a greater chance of default and, hence, losses by the government. If this is prudently managed then the risk should be reasonable.

The key would be to hold a balanced portfolio with a relatively limited exposure to the riskier end—that is, BBB rated debt instruments. Experience shows that governments have a low tolerance for risk. When some foreign currency losses not realised were incurred on Australian government foreign currency denominated bonds, the coalition government copped a barrage of criticism from the Labor opposition—if I am not wrong, I think from Senator Conroy. A further important factor is that investments by the government should be broadly spread so as not to distort prices. There is also a need to consider public policy issues associated with having substantial ownership or influence over private or public sector entities. This suggests that it would be more prudent for the government to favour the purchase of private sector debt instruments, which is consistent with the proposed policy. On balance, while there is acknowledgement of a small increase in risk being borne by the Commonwealth, the proposal, in our view, is not without merit. With those reservations clearly on the record, we support the bill.

Finally, it is appropriate in the context of the bill to also remind the Senate that the discussion we are having today would be entirely academic had it not been for the superior economic management of the former coalition government. The coalition in government concentrated on prudent financial management over a long period of time, with solid surpluses that allowed us to pay off the $96 billion debt left by the economic vandals in the Labor Party. The Labor government
had so mismanaged the economy that it left Australian families with $96 billion worth of debt. In paying off Labor’s debt, the coalition, with an eye to the future, put $40 billion—of course, that figure has now been vastly exceeded—into the Future Fund to relieve future generations of unfunded superannuation liabilities they would otherwise have had to bear. It is also appropriate to recall that it was the coalition that drew a line in the sand under the former Labor government’s banana republic. On 17 February 2007, Australia’s AAA credit rating was restored by Standard and Poor’s.

I make these comments because, although we support this bill with the reservations I have outlined, it is entirely appropriate to put on the record that the coalition has left the Rudd Labor government with no net debt and it has left this country with a government that does not need to borrow for its own purposes and with liabilities for public servants’ superannuation comprehensively covered into the future. The Rudd Labor government, in the view of the opposition, should be a tad more gracious in its rhetoric than we have seen in the past couple of weeks. The incontrovertible facts are that, because of the hard work of the former coalition government, the Rudd government has inherited not only a sound economy but also a $22 billion surplus, and this should be loudly proclaimed.

Senator BUSHBY (Tasmania) (12.45 pm)—The Commonwealth Securities and Investment Legislation Amendment Bill 2008 will deliver two primary outcomes. The first is that it will increase the amount of Commonwealth government securities on issue by some $25 billion to $75 billion. In that context, I understand that the government has also announced its intention to increase the stock of CGS in 2008-09 by $5 billion on top of the current planned issuance of $5.3 billion that replaces stock that is maturing. The second primary outcome is that it will change the investment mandate by widening the range of investment options for the proceeds of the CGS from the current risk-free AAA rated option down to BBB rated options and, of course, those rated as AA and A in between.

Of course, any discussion on the appropriate approaches to be taken by the government in the context of this bill must also reflect on the prudent financial management of the Commonwealth’s fiscal position and the economy. This is because the opportunity for the changes outlined in this bill only arises because of the strong economic management exhibited by the Howard government since 1996. Consideration of where to invest substantial sums raised through CGS would not be taxing the mind of the government were it not for the prudent and difficult decisions made by the previous government in paying off all federal government debt. As this was done, the government today enjoys the fact that it has more money than it needs.

The act of issuing securities is, essentially, the government selling investments to raise money—commonly known as government bonds. In the past, it was generally accepted that one of the main reasons for governments to sell bonds was to raise money to finance deficits. Due to the highly prudent and responsible management of the previous government, the federal government is now, of course, a net lender of money, not a net borrower. Given this, why does the federal government still issue bonds? Because, after some debate—much of which was played out publicly—it was decided that there was substantial benefit to the economy to be derived from the government continuing to issue bonds, as it provided a risk-free benchmark against which other investments could be compared and it provided much-needed liquidity to the market. This decision was taken in 2002, when the then Treasurer, Peter Costello, commissioned an exami-
tion of the need to continue with the CGS market.

It is important to remember that CGS are liabilities of the government and are considered risk free by the market. For this reason and because continuing the CGS market had more to do with the wider market and benefits to that market, it was considered prudent to limit the investment mandate to a range of authorised investments, including securities issued or guaranteed by the Commonwealth or an Australian state or territory, a deposit with a bank and debt instruments issued or guaranteed by the government of a foreign country. But the reality is that, in accordance with previous government policy, the Australian Office of Financial Management, the office with responsibility for managing both the issuance of CGS and the investment of the proceeds, has only been depositing those proceeds with the RBA.

The other great achievement of the previous government that is highly relevant to this debate is the retrieval of the Commonwealth government’s AAA rating. Under previous Labor governments, in 1986 and then in 1989, our rating had been progressively downgraded. In February 2003, in recognition of the responsible approach to management of the Australian economy, Australia’s rating was restored to AAA, finally closing the chapter on Keating’s infamous banana republic.

Since bilateral support exists for the need to have a Commonwealth securities market, and the bill proposes a reasonably measured increase in its size, I have no issues with its expansion somewhat to accommodate the growth of Australia’s financial sector since the 2002 decision. I also understand that there is a need for additional liquidity in the market, particularly in some lines, and consider that this change will assist to address that shortage.

The issue of the widening of the investment mandate, however, is less clear and more concerning. As I see it, there are two worrying aspects to this change. The first is that the change allows investment of CGS proceeds in instruments that are riskier, effectively increasing the exposure of Australian taxpayers to losses. If this risk is prudently managed, then the risk should be reasonable. The key will be to hold a balanced portfolio with a relatively limited exposure to the riskier BBB rated debt instruments. But adding to the concern over the risk is the provision contained in the bill allowing the Treasurer, by signed instrument, to give directions to the AOFM in relation to the classes of authorised investment on matters of risk and return. Left to its own devices, I am sure that the AOFM would take the desired, highly prudent and responsible approach to managing these funds with a view to achieving a sound return and minimal risk. However, I am concerned that the interference of the Treasurer, who may have other objectives, may hamper the ability of the AOFM to create investment portfolios that best reflect desirable characteristics.

This leads into my second major concern—that of the temptation the changes will place before the government to chase yield. As mentioned, the agreement in 2002 for the ongoing existence of the CGS was based on the clear benefits of liquidity support and of investment benchmarks. It was not made to allow the government to borrow, as the Commonwealth can do, at the risk-free rate available to it as a sovereign government and to then invest in riskier investments to chase yield. But the fact is that the changes may present the current government with what is a very significant moneymaking opportunity and it may find the temptation too much to resist. I would be concerned if it were to succumb to this temptation and therefore take on substantial risk to the potential detriment of
Australians. As such, I would feel far more comfortable in voting for this bill if I were first able to sight the investment mandate or direction that would be supplied by the Treasurer to the AOFM.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (12.51 pm)—I would like to thank the senators who have participated in the debate on the Commonwealth Securities and Investment Legislation Amendment Bill 2008. The bill will strengthen the efficient operation of the treasury bond market by increasing treasury bond issuance and extending the collateral accepted for securities lending operations. These measures will help maintain the role played by treasury bonds in the smooth functioning of Australia’s financial markets. The bill will also provide for the safe investment of the proceeds of increased issuance in conjunction with management of the government’s cash balances, using a wider range of high-quality investment instruments than at present.

The treasury bond and treasury bond futures markets are used in the pricing and hedging of a wide range of financial instruments and in the management of interest rate risks by market participants. They thereby contribute to a lower cost of capital in Australia. Without these markets, the financial system would also be less diverse and less resilient to the shocks that can emerge from time to time, such as the credit concerns that have resulted from the subprime housing crisis in the United States. The government is committed to ensuring that the treasury bond market continues to have sufficient liquidity to operate effectively and therefore play this important role in the Australian financial market.

This bill provides a new standing authority for borrowing through the issuance of Commonwealth government securities subject to a limit on the total volume of securities on issue not exceeding $75 billion. This bill therefore allows an increase in the volume of fixed coupon treasury bonds of up to $25 billion over current levels. As a result of this new cap, in 2008-09 the government will add around $5 billion to the treasury bond issuance of $5.3 billion that was already planned and detailed in the 2008-09 budget. The increased issuance of treasury bonds will not adversely affect the government’s overall financial position since the increase in the bonds on issue will be offset by an increase in financial assets on the government’s balance sheet. The returns on these assets will also offset the interest costs from the increased issuance.

The bill will also provide for a modest extension in the range of eligible investments that the Treasurer can make under the Financial Management and Accountability Act to include investment grade debt securities. It will also provide for the Treasurer to give direction to delegates on classes of authorised investments and matters of risk and return. It has been suggested that this proposal will lead to a significant increase in risk being taken on by the Commonwealth. That is not correct. This proposal will enable the Australian Office of Financial Management to improve the returns on Commonwealth assets while also better managing costs and risks. This policy of the government investing in high-quality assets is more conservative than the mandate given by the previous government to the Future Fund.

Following consultations with financial market participants, the government has also decided to allow a wider range of collateral to be accepted by the AOFM through its securities lending faculty. This will increase access to the facility and further help the efficient operation of the treasury bond market. These various measures will strengthen the markets for treasury bonds and the futures
contracts that depend on them, which will in turn contribute to the efficiency and robustness of our financial system. These measures demonstrate the government’s determination to ensure the efficient operation of Australia’s financial markets. I commend this bill to the Senate.

Question agreed to.
Bill read a second time.

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

SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (EMPLOYMENT ENTRY PAYMENT) BILL 2008

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

That this bill be now read a second time.

Senator ABETZ (Tasmania) (12.55 pm)—I can indicate that the opposition will not be opposing the Social Security and Other Legislation Amendment (Employment Entry Payment) Bill 2008, but it is worthwhile briefly setting out the history of this particular piece of legislation. The objective of the legislation is to repeal the employment entry payment. That will be effective as of 1 July 2008. The employment entry payment was in fact first introduced by Labor in 1989 via the Newstart program. It was introduced to help the unemployed meet certain short-term costs of moving into and retaining full-time work. It is interesting to note that this bill was introduced by the Deputy Prime Minister on 29 May 2008 and it is one of the measures that the government believe will save them something around the $60.8 million mark over a five-year period. Of course, the Labor Party trumpet this as being part of their economic responsibility. Removing these payments just goes to show how economically responsible they are.

The interesting thing is that, since it was elected in 1996, the Howard government tried to remove these payments and time and time again the then Labor opposition opposed the move. All that nonsense has now been exposed by the Labor Party saying—following the Peter Garrett line—’Don’t listen to what we say in opposition; look at what we do in government.’ What they have done is to say, ‘Yes, the Howard policy that we frustrated and refused to pass through the Senate time and time again during the 11½ years of the Howard government suddenly is very good policy.’ I can promise the minister and I can promise the government that, unlike those opposite, we do not play politics on these issues. If it is good policy under us, it is also good policy under Labor.

It is worthwhile listening to some of the statements made back in 1999 by the current Treasurer, Mr Wayne Swan. He criticised the Howard government measures on this basis:

With the stroke of a pen, another small but very important measure, which encourages the movement from welfare to work, has been knocked out. Once again, the government has put its boot in and pushed down the most vulnerable sections of the community who should be encouraged to move from welfare to work or from welfare to education.

That was Mr Wayne Swan opposing our proposals on 9 March 1999. In relation to this matter, on 25 March 1999 he said:

If the government really believes in helping young people get into jobs, why is it currently trying to abolish the employment entry payment?

Mr Albanese also said on 9 March 1999:

We should be about encouraging people in employment rather than imposing additional burdens upon them. But this is consistent with the lack of compassion shown by this government.

The Labor Party are now showing all this same lack of compassion, if we are to believe...
the nonsense of Mr Swan and Mr Albanese all those years ago. I say to them: no, the Labor government are not showing a lack of compassion in relation to this; they are making a good case. It was a case that was before them but that they rejected for mean, political reasons. That was the only reason: to try to beat up an issue and pretend that somehow they were the champions of those who were on welfare. Clearly these measures are seen as being appropriate. It is just a pity that the Labor Party have not been consistent on this—as, in fact, they have failed to be consistent on so many other things.

In the response by the minister, I would be pleased if I could have these few questions answered. Is it possible that some job seekers will no longer be able to access a payment? I would be obliged if I could be advised of that in the summing up by the minister. On 2 June 2008, at Senate estimates, my colleagues were asking the Department of Education, Employment and Workplace Relations how many people would be disadvantaged as a result of removing this payment. The department at that stage was unable to provide an answer. Given that they have now had another three weeks or so, hopefully an answer to that question will be forthcoming. Similarly, we would be interested to know how this decision will impact on those on a disability support pension who are enrolled with a disability employment network provider, because it appears that no additional compensation will be available for these people. As I indicated, we do not oppose the legislation.

Senator STEPHENS—Senator Abetz for those questions. Bear with me, please, Senator. As you know, I am not the person who has responsibility for this legislation, but I will do my best.

Senator Abetz—Nor do I, but it is easier to ask the questions than to answer them; I will give you that.

Senator STEPHENS—It certainly is. Briefly, so that everyone listening is quite sure of what this legislation is all about, the Social Security and Other Legislation Amendment (Employment Entry Payment) Bill 2008 relates to the employment entry payment. This employment entry payment is a lump-sum payment that will be made to eligible recipients of certain social security payments who are returning to employment, who are commencing employment or whose income from employment rises above a threshold amount. This payment will help cover costs associated with their employment. It is a payment of $104, or $312 for people with a partial capacity to work or who are on a disability support pension. Those payments do not have to be repaid. The government is clear that the type of assistance that will remain available to eligible income support recipients includes the working credit, special employment advances, the job seeker account and other assistance which is available through employment service providers. In answer to the questions that Senator Abetz posed, I think it is very clear that the intent of the legislation is to ensure that eligible income support recipients will remain eligible for the assistance that is available through employment service providers.

Also some consequential amendments need to be made in the related legislation, being the Social Security Administration Act 1999 and the Income Tax Assessment Act 1997, to ensure that appropriate administration and transitional arrangements and ap-
appropriate tax treatment occur. The cessation of eligibility from 1 July this year means that, where employment starts after 1 July, an employment entry payment will not be made unless a claim for an advance of that payment is made before that date. Currently, a person has 28 days to lodge a claim for an employment entry payment from the start of the employment in respect of which the claim is being made. Some principal carer payment and parenting payment recipients and those with a partial capacity to work have 56 days from the start of their employment to lodge their claim. This means that employment entry payments will be made up to 56 days after the repeal of the provisions.

Centrelink has advised that the time frame and details of implementation are able to be delivered upon. Of course, the underlying rationale of the employment entry payment was as an employment incentive and to aid with the costs of starting a job. Other measures introduced subsequent to the employment entry payment mean that this specific form of assistance is not necessary. They include the special employment advance, which was introduced in 1999; the job seeker account, introduced in 2001; and working credit, introduced in 2003, all of which provide specific financial assistance and means to smooth people’s entry into work. On that basis, I commend the legislation to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

RESERVE BANK AMENDMENT (ENHANCED INDEPENDENCE) BILL 2008

Second Reading

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

That this bill be now read a second time.

Senator COONAN (New South Wales) (1.06 pm)—Unfortunately, the Reserve Bank Amendment (Enhanced Independence) Bill 2008 is, in the opinion of the opposition, a poorly thought out bill that highlights what a fiasco the government’s spin machine has become. The bill is all about politics, with a very thin veneer of policy. Unfortunately, it is becoming all too clear that this is a classic approach by Labor: all glossy on the surface but, when you dig a bit deeper, you see that it is all a public relations exercise and not a contribution to sound economic policy. In December last year, the Prime Minister announced that this bill would lead to ‘a new era of independence for the Reserve Bank’. I do not agree with that. The bill will do nothing of the sort. All that the bill will do is take us backwards to the position that we were in in 2001. This is not a new era; it is simply a return to the past.

I will speak on the issue of the Labor government’s grandstanding on this matter in more detail in a moment. But first I would like to take the opportunity to discuss very briefly the history of Reserve Bank independence and how we got to the stage of the government now reverting to the past to solve a problem that never existed in the first place. When it comes to Reserve Bank independence, Labor’s record is distinctly lacking. When the Labor Party were last in government, they made absolutely no attempt to make the Reserve Bank independent. We all recall very well the former Prime Minister Mr Keating famously boasting that ‘they do as I say’—they being the Reserve Bank.
It took the foresight of a hardworking and economically diligent coalition government to move to install Reserve Bank independence, which we all now universally agree is a very good thing. In 1996, the then Treasurer, the member for Higgins, Mr Costello, issued a statement on monetary policy which clarified the bank’s role and the government’s commitment to respect its independence. In an extraordinary move, the then Leader of the Opposition, Mr Kim Beazley, sought legal advice, because Labor did not support the reforms. So, in 1996, the Labor Party did not even support an independent Reserve Bank.

By 2002, though, they had changed their tune completely. The Prime Minister and Treasurer both supported the Financial Sector Legislation Amendment Act No. 1 2002, which amended the Reserve Bank Act so that the Treasurer appointed officers and board members to streamline the appointment and termination process. Yet now they want to undo the 2002 legislation and go back to the old system of the Governor-General making appointments. This is at odds with their statements in 2002.

We have a Prime Minister and a Treasurer who were at one stage opposed to Reserve Bank independence. Back then, they supported a streamlined appointments and removals process. But now they want to turn back the clock, while at the same time telling the media that this is the beginning of a new era of independence. You get the idea that this is all spin and no substance. Quite clearly, the government are confused as to their motives—although I am not surprised, because these are the same people who promised to put maximum downward pressure on inflation and then proceeded to increase government spending in their first budget.

The real reason that Labor are moving this bill is that they are desperate to appear to be economic conservatives. A trick which Labor seem to have picked up from their counterparts in the United Kingdom is creating a non-existent problem and then claiming credit for solving it. This again is classic Labor. There was no problem with Reserve Bank independence under the coalition, but Labor are desperate to appear to be doing something—anything—to fill in the gaps while these innumerable committees dither and report. They want to build up an air of economic competence. The Treasurer thought: ‘I know; I’ll talk about making the Reserve Bank more independent. That’ll make me look like I know what I’m doing.’ Sadly, though, the problem is that Labor are contradicting their own past behaviour and criticising the forward-looking Howard government when it was, in fact, the Howard government that pioneered Reserve Bank independence.

There are some very substantial problems with this bill. Currently, the Treasurer is required to terminate the appointment of the Governor or Deputy Governor of the Reserve Bank on the essentially objective grounds of paid employment outside the Reserve Bank, bankruptcy and permanent incapacity. A major fault in this bill is that it would make this optional in two degrees. Firstly, the parliament would need to agree to the termination. Secondly, the Governor-General in Council would need to agree. This would all take time. If, for example, the Governor of the Reserve Bank were to have an accident or become gravely ill and parliament were in recess, then parliament would need to be recalled. This would not only take time but also be very costly. Delay could cause considerable economic damage and damage to Australia’s reputation. If the Governor of the Reserve Bank were to become bankrupt, for example, it would take weeks to replace him or her under the new legislation. Under existing arrangements, the
Treasurer could move quickly to shore up financial market support of the bank and to protect the reputation and credibility of the bank and Australia’s broader economy.

In order to address what we perceive as some of the serious deficiencies with this bill, the coalition is proposing to move amendments to ensure that this bill really does reform the governance arrangements of the Reserve Bank. We have looked to see whether or not there could be some improvements—and they are not the improvements that have been proposed under the bill. The opposition amendments would insert a new section 24C into the Reserve Bank Act 1959, which would require the Governor of the Reserve Bank to appear before the House of Representatives Standing Committee on Economics at least four times a year. Presently, the Governor of the Reserve Bank generally appears before the House economics committee twice a year, and this is optional. The coalition considers that it would increase the accountability of the Reserve Bank if the hearings were conducted four times a year, in line with best practice overseas. The coalition considers that this amendment would enhance the independence of the Reserve Bank.

The opposition amendments would omit schedule 1, item 3, page 3, which I will come to when we move these amendments in the Committee of the Whole. That would have the effect of leaving extant section 25 of the Reserve Bank Act 1959. That is, it will remain mandatory for the Treasurer to terminate the appointment of the Governor or Deputy Governor of the Reserve Bank on the essentially objective and easy to ascertain grounds of permanent incapacity, paid employment outside the Reserve Bank and bankruptcy. As I said, these are objectively based and, if they occur, the consequences should be both mandatory and prompt.

However, I think a different and perhaps more subtle response is necessary when it comes to the possibility of misbehaviour and what should be done about potentially removing the governor in the event of misbehaviour. The opposition amendments would insert, then, a new section 25AA to the Reserve Bank Act 1959 which provides for parliamentary approval for the termination of the Governor or Deputy Governor of the Reserve Bank on the ground of misbehaviour. It is much more difficult, of course, to get agreement in relation to misbehaviour. Perhaps some of the more egregious forms of misbehaviour might not cause this kind of concern, but I can envisage circumstances where it may be difficult to come to a view as a parliament as to whether or not the misbehaviour is of the kind that would call for the dismissal of the governor.

These clauses have been essentially modelled on those applying to judges, under section 72 of the Constitution; the Australian Statistician, under the Australian Bureau of Statistics Act 1975; the Commissioner of Taxation and Second Commissioner, under the Taxation Administration Act 1953; and the Ombudsman, under the Ombudsman Act 1976. All of these offices require parliamentary approval to terminate their appointments on the ground of misbehaviour, sometimes described as ‘proved misbehaviour’. That probably should be ‘proven’ misbehaviour. In other words, the coalition amendments would achieve the stated intent of the government of raising the statutory independence of the governor to that of the Australian Statistician and the Commissioner of Taxation. The proposed new section 25AA would provide that the Governor-General in Council may terminate the appointment of the governor or deputy governor if each house of parliament, in the same session of the parliament, presents an address to the Governor-General.
General praying for the termination of the appointment on the ground of misbehaviour.

The proposed section also provides that the Treasurer may suspend the governor or deputy governor from office on the ground of misbehaviour—and I think that is absolutely critical—but must lay before parliament within seven sitting days a statement identifying the office holder suspended. The section also outlines the method in which the parliament would consider the termination of the governor or deputy governor, following the suspension order by the Treasurer. It also provides that the suspension of the governor or deputy governor for misbehaviour does not affect their entitlements. The amendments also provide that the governor or deputy governor may only be terminated for misbehaviour by following the procedure outlined in the new proposed section 25AA.

When we come to these amendments, I might have a few more words to say about them, but I did think it was appropriate to set out in my second reading remarks where we think this bill can be improved in a constructive way. Unlike the government’s bill, I think our amendments will ensure that the Reserve Bank is more effective and accountable. The amendments ensure effective measures to provide for the removal of the governor in the event of misbehaviour. They give parliament, and not a court, the power to remove the governor immediately if ever a governor were to misbehave. They also seek to make the governor more accountable. I think they are real reforms, and in due course I will be commending these amendments to the Senate. Otherwise, we will be supporting the substance of the bill.

Senator MURRAY (Western Australia) (1.19 pm)—The Reserve Bank Amendment (Enhanced Independence) Bill 2008 is welcome from at least one point of view, and that is that it opens up for debate and consideration the entire status and nature of the appointment and termination of the governor and deputy governor and, indirectly, of the board. I differ from the shadow minister in that I believe there is a problem with the Reserve Bank Act. I think it is in need of an overhaul and review, and I think there are fundamental weaknesses in the act. That is not to say, of course, that we have not been singularly well served by both the present governor and previous governors and, indeed, their deputies. Nor is it to say that the coalition were not quite right to have enhanced the independence of the Reserve Bank governor and the Reserve Bank itself, as they did when they made that determination in 1996 which the shadow minister referred to in her speech.

I thank the government for producing this bill, because it does open up a debate that we need to have. I thank the coalition for referring the bill to the committee, because the result is that the committee process, as it usually does, exposed, aired and made more apparent some of the real issues and problems that apply to our existing act. I had thought initially that the bill was a very modest one that did not do much harm, and I think the coalition did us a service, in fact, by indicating its weaknesses. I am pleased to see they will be following up with some amendments to reflect their point of view.

The other point I want to make in my opening remarks is that nothing much hangs on this bill. If it does or does not pass, it is not going to alter the fate of Australia much, but it does make a perfect double dissolution trigger as a result. I can envisage a situation where the coalition put forward their amendments, the government refuse them, the coalition insist on them and you can pop a double dissolution trigger into your pocket, as governments like to do. We will see if that is what in fact results from this process. But it is the first bill I have seen which has the
genuine potential to be a double dissolution trigger.

The Reserve Bank Amendment (Enhanced Independence) Bill 2008 amends the Reserve Bank Act 1959 to allow the Governor-General—instead of the Treasurer—to appoint, suspend and terminate the Governor and the Deputy Governor of the Reserve Bank, and incorporates parliament in the suspension and termination of those positions. As usual, of course, the Governor-General acts on the advice of the federal Executive Council, which means that cabinet still makes the decision. In reality, nothing changes much. This is a modest bill that does not do much. It marginally increases the independence of the appointment process by going one step further and putting a little more at arms length the present process where the Treasurer appoints the Governor of the Reserve Bank of Australia after the approval of cabinet, to one which ensures the Governor-General—on the advice of the cabinet—appoints the Governor of the Reserve Bank. And when last did we ever see in the last quarter of a century or so a Governor-General refuse to do what the government wants him to do?

Clause 25(8) of the bill amends the act so that the termination of the appointment of the governor or deputy governor would be by the Governor-General in Council, following parliamentary approval. This replaces section 25 of the act, which entrusts this task to the Treasurer. The bill specifies three grounds for the termination of appointment where a governor or deputy governor:

(a) becomes permanently incapable of performing his or her duties; or
(b) engages in any paid employment outside the duties of his or her office; or
(c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her salary for their benefit.

The government have missed an opportunity to review this 50-year old act, including governance matters, to bring Australia’s central bank legislation up to date with international and domestic law. The present system needs modernising, and the bill is not sufficiently comprehensive. However, I will not deal with the act as a whole; I will just deal with appointment and dismissal issues.

With respect to board appointment and dismissal, by far the greatest criticism in the last decade or two has not been with reference to the governor and deputy governor, but to the Reserve Bank’s board—its composition, its skill set, and its function. That is not to say there have not been good appointments to the board—in some cases, they have been outstanding. But not all board members have passed what I would describe as the ‘excellence’ test. The Democrats are concerned that, whenever appointments are made to institutions set up by legislation, independent statutory authorities, or quasi-government agencies, the processes by which these appointments are made should be—and be seen to be—transparent, accountable, open and honest. It is still the case that appointments made to public authorities are left largely to the discretion of ministers with the relevant portfolio responsibility. It is important that the public have confidence that appointments by the executive are made against core principles of merit, probity and transparency. Indeed, there is a widespread perception that government appointments made through a secret process against unknown criteria at the discretion of the minister or the cabinet can, and do, result in partisan patronage.

A main failing of the present system is that there is no legislation which sets out a standard process to regulate the procedures for making appointments to statutory au-
authorities and other agencies. Perhaps more importantly, there is no external scrutiny or analysis by an independent body of the procedure and merits of appointments. This entrenches the public perception of what is known as ‘jobs for the boys’—and also for the girls, since we stopped discriminating.

The issue of appointment on merit was comprehensively examined by the Nolan committee appointed by the United Kingdom parliament in 1995. The following principles were set out to guide and inform the making of such appointments:

- A minister should not be involved in an appointment where he or she has a financial or personal interest;
- Ministers must act within the law, including the safeguards against discrimination on grounds of gender or race;
- All public appointments should be governed by the overriding principle of appointment on merit;
- Except in limited circumstances, political affiliation should not be a criterion for appointment;
- Selection on merit should take account of the need to appoint boards which include a balance of skills and backgrounds;
- The basis on which members are appointed and how they are expected to fulfil their roles should be explicit; and
- The range of skills and backgrounds which are sought should be clearly specified.

The UK government fully accepted the Nolan committee’s recommendations. The Office of the Commissioner for Public Appointments in the United Kingdom was subsequently created, with a similar level of independence from the government as the Auditor-General in the United Kingdom, to provide an effective avenue of external scrutiny. Present Prime Minister Brown in the United Kingdom has announced that even better scrutiny will be introduced for appointments in particular areas, including involving parliament’s select committees in the appointment of key officials.

For the health and integrity of Australian democracy, the public must have trust and confidence that the government will not allow improper or irrelevant considerations, political interest or political obligation, to influence public appointments. Yet again, I will test the chamber with an appointment on merit amendment. I have had that turned down around three dozen times by the coalition so far. They would not know an appointment on merit process if they saw one. It is to their great discredit that they were absolutely and implacably opposed to taking up the initiative by the previous conservative government in the United Kingdom, which introduced the Nolan reforms. They were then fully adopted by the Labour government in the United Kingdom.

To a minimal amount of credit—and it is only a minimal amount—the Labor Party in opposition did accept one or two of those appointment on merit amendments of ours, so that was a good sign. But, you have yet to be tested. We will test you, and we will see if you will finally support appointments on merit, or if you will continue to ascribe to the wonderful heritage that you have of eternal appointments that are at your discretion. We will see.

Turning to the governor, the removal or replacement of the Governor of the RBA can be looked at from an objective and subjective basis. Objective issues are those that rest on fact, not opinion, and subjective issues are those that rest on opinion, not fact. I agree with the coalition that dismissal should be mandatory for bankruptcy. I believe the board should have a greater role than they do at present, and one of the weaknesses of the Reserve Bank board is that they do not behave, or are not allowed to behave, as a nor-
mal board should. Let us go through those issues.

If we turn to the objective issues—those that rest on fact, not opinion—death, resignation, bankruptcy, physical incapacity, mental incapacity and outside employment, these are issues that should not be the province of the Governor-General, the executive or the parliament. We have no business dealing with those issues. For me, a clean approach to these issues should be, or could be, as follows. For death, the Deputy Governor of the Reserve Bank steps in, the board approves final settlement of terminated employment and the appointment of the successor governor is as per the act. For resignation, the Deputy Governor of the Reserve Bank steps in, the board approves final settlement of terminated employment and the appointment of a successor governor is as per the act. For bankruptcy, the board must suspend the governor as soon as bankruptcy proceedings begin and the Deputy Governor of the Reserve Bank stands in. If the bankruptcy is confirmed then the governor is automatically dismissed, the Deputy Governor of the Reserve Bank stands in, the board approves final settlement of terminated employment for the previous governor and the appointment of the successor governor is as per the act.

For physical incapacity, on the governor being incapacitated, the Deputy Governor of the Reserve Bank steps in. Subsequently, on objective and independent medical opinion, the board can decide that the governor cannot be expected to recover sufficiently or quickly enough to fulfil the governor’s duties, the Deputy Governor of the Reserve Bank stands in, the board approves final settlement of terminated employment for the previous governor and the appointment of the successor governor is as per the act.

For mental incapacity, on the governor being incapacitated, the Deputy Governor of the Reserve Bank should step in. Subsequently, on objective and independent medical opinion, the board can decide that the governor cannot be expected to recover sufficiently or quickly enough to fulfil the governor’s duties, the Deputy Governor of the Reserve Bank stands in, the board approves final settlement of terminated employment and the appointment of the successor governor is as per the act.

For outside employment—the last of my objective categories—the governor should be prohibited from outside employment but not from receiving some outside payment, such as royalties from book sales or minor payments. All grey areas should be determined by the board. The board can decide that the governor must be dismissed on outside employment grounds, the Deputy Governor of the Reserve Bank stands in, the board approves final settlement of terminated employment and the appointment of the successor governor is as per the act. None of those objective considerations should have anything whatsoever to do with the Governor-General, the executive or the parliament. What are we doing with this Reserve Bank Act? We are not attending to any of those obvious reforms.

On the subjective grounds, we, the parliament, should be involved. Subjective issues are those that rest on opinion and not fact. There are three possible grounds, but there may be more—performance, misconduct or misbehaviour. And they can mean different things. In my view, the approach should be that, with respect to a governor who loses the confidence of the Reserve Bank board, he or she must go, and that is the end of it. The Deputy Governor of the Reserve Bank would then step in, the board would approve the final settlement of terminated employment and the appointment of the successor governor would be as per the act. You cannot have a governor who does not enjoy the confidence of the board, in the
same way as you cannot have a managing director who does not enjoy the confidence of the board.

With respect to the executive, the cabinet, a governor who loses the confidence of the executive should have the matter referred by the executive to the parliament. This is because it may be a partisan political issue. That is a process which already the act is concerned with. Such a person should have his or her future decided by the parliament, which is broadly the intent of the bill and is definitely the intent of the coalition’s amendment. While that process is underway, the deputy governor steps in. If termination is recommended by the parliament, the Deputy Governor of the Reserve Bank stands in, the board approves final settlement of terminated employment and the appointment of the successor governor is as per the act. Frankly, in a situation where the matter is referred to the parliament, I cannot see any governor being willing to go through that. I am sure they would resign, because once it goes through you know it is over, red rover, frankly. That, nevertheless, should be the process.

For the parliament, a governor who loses the confidence of the parliament must also go. While that process is underway, the deputy governor should step in. If termination is recommended by the parliament, the Deputy Governor of the Reserve Bank stands in, the board approves final settlement of terminated employment and the appointment of the successor governor is as per the act. In practice, again, I cannot see any governor being willing to go through this, and I am sure they would resign.

During the committee hearings, there was a fair bit of interesting questioning and answering, and Senator Brandis, who has considerable experience of legal and litigation matters, exposed the difficulty of these matters going through the courts. It is highly undesirable that we have the courts involved in issues to do with the appointment or termination of the Reserve Bank governor or deputy governor—not because it is wrong in principle, which of course it is not, but because the dragged-out process would be dangerous to the financial markets and the security of our country. I would, frankly, try and keep the courts out of all these matters if at all possible.

In my additional remarks to the committee report, I did say that I thought the bill should be amended in at least one respect: to keep bankruptcy a mandated ground for dismissal. But of course anyone who knows anything about Corporations Law—hopefully not as a respondent—would know that the application for bankruptcy takes considerable time; it is not a quick process. So you have to have a process measure in there as well. I really do think bankruptcy is one of those objective grounds which should be simply mandated grounds for dismissal.

So where do I get to at the end of my speech in this second reading debate? I decided not to try to carry through my thoughts into a series of amendments, because I think what the government should do is recognise what the coalition partly recognised when this bill came up—which has, I think, also been more broadly recognised—and that is that this act really does need an overhaul and that it should go back for review, a proper modernisation process and a much cleaner process. And I think the board should be more involved than they have been. I only wish the coalition had had the sense to address this issue and reform the board when they were in power.

I have been pleased to see greater transparency measures emerging with Reserve Bank board practices in recent times, particularly with their greater explanation of their
views immediately after their monthly meet-
ing and then the publication of the minutes. I
remember that being raised in academic and
media debate some years ago. In fact, I re-
member the journalist who was involved in
much of that discussion—Paul Cleary, who
eventually went off and did work in East
Timor. There should be far greater transpar-
ency and far more modern governance ar-
rangements than there have been in the Re-
serve Bank.

I for one, by the way, am not at all satis-
fied yet that they have proper procedures for
dealing with conflict of interest issues.
Members of the chamber who have a politi-
cal memory of the last decade will know
why I make those remarks. I will conclude
my speech in the second reading debate on
that note.

Senator HURLEY (South Australia)
(1.38 pm)—The Reserve Bank of Australia is
a very important part of our financial institu-
tions. Its independence is valued and has
been valued by all political parties in Aus-
tralia and, I believe, by the other financial insti-
tutions in Australia. There is increasing inde-
pendence and autonomy rested in the Re-
serve Bank of Australia. This leads to a great
deal of stability and confidence in the finan-
cial markets in Australia and it is something
that, quite rightly, all sides of politics have
supported in our quest for greater transpar-
ency in our financial systems.

This of course does not mean that there
has not been a bit of political grandstanding
from time to time by those political parties
concerned. I think that political grandstand-
ing could have been responsible for Paul Keating’s famous statement about the Re-
serve Bank being in his pocket—a statement
that has been repeated very many times and
which has been described, I think quite
rightly, as demonstrably untrue. The Reserve
Bank was not in Paul Keating’s pocket, and I
think it was a little political grandstanding on
his part. But I think it was also a bit of politi-
cal grandstanding by the Howard-Costello
government when they came in claiming
responsibility for the independence of the
Reserve Bank on the back of that statement. I
think that is demonstrably untrue as well and
was very much political grandstanding. The
Reserve Bank of Australia has been slowly
gaining in independence and autonomy over
many years. Indeed, the Reserve Bank
Amendment (Enhanced Independence) Bill
2008 continues that process and follows on
from a continual trend of giving the Reserve
Bank, and necessarily the Governor of the
Reserve Bank, far more independence.

Much has been made by the shadow min-
ister and other members of the Liberal Party
about the new involvement under this bill of
the parliament in the process of appointing
and dismissing the Reserve Bank governor
and deputy governor. I think it is a step to-
wards greater independence, and the public
perception of greater independence, for the
Reserve Bank governor and deputy governor
to be included in a process whereby the
Governor-General makes the appointment
and, indeed, the dismissal. During the hear-
ings of the Senate committee on this matter,
much was made of the perceived difficulties
in dismissal and what would happen if the
Reserve Bank governor had dismissal pro-
ceedings instituted against him. But I really
think that was very much overblown in the
scheme of things. If the Reserve Bank gov-
ernor were dismissed, the deputy governor
would automatically step into his shoes. Our
advice from Treasury is that that would be an
automatic process and that it would not nec-
essarily result in any hiatus of the markets, as
has been described by the opposition. It is
one of the extra steps that could be taken to
enhance independence.

In the name of enhancing independence,
the opposition have also called for more
committee hearings to question the Reserve Bank of Australia. We had some very useful evidence in a written submission from Mr Saul Eslake, who described the processes as not being particularly useful. He said that the questions ran a line of political argument by whichever side was in opposition, which was generally not terribly successful, or otherwise various members tried to show how in touch or sensitive they were with key issues like interest rate rises, which did not get the committee anywhere at all. It is hard to believe that anything different would happen if the Senate economics committee were involved—although I do appreciate that senators are generally much more considered and wise than our counterparts in the other place. This line of argument is also a little misplaced and will go no further to enhancing any independence by the Reserve Bank. Indeed, I think this is a bit of an attempt by the opposition to try to regain the moral high ground in terms of the independence of the Reserve Bank of Australia, and I do not really think it is going to get them very far in that respect. I think there is genuine all-party agreement about the importance of the Reserve Bank of Australia and that this is a little bit of gilding around the edge.

I certainly support any legislation, such as the government’s bill, which goes towards increasing the authority of the Reserve Bank of Australia and its independence from the government. Since the time that Paul Keating was in government, particularly, the economic education of the Australian public has proceeded at quite an advanced level compared to before. The public of Australia do really understand, because of education not only from politicians but also from the media and because of the general increase in the efficiency of communication around the world, that we are part of a global financial system and that there are a lot of external influences which impact on Australia and which are longer and deeper than the political cycle. That is the particular reason why I support the autonomy of the Reserve Bank, because you have to have that body of people in charge of the financial system who not only are aware of international trends and international impacts and Australia’s impact on the financial system but also are prepared to take that kind of longer term view of the financial system. The Reserve Bank of Australia has shown in the past and just recently that it is prepared to take very hard decisions in the course of maintaining a good and strong financial system in Australia regardless of the political cycle. I think no-one here would say that that is a bad thing, and anything we can do to support the Reserve Bank of Australia in that role is welcome. I do indeed think that this bill supports and expands that role of the Reserve Bank of Australia.

That being said, I think that Senator Murray has a reasonable point in his consideration of not only the Governor and the Deputy Governor of the Reserve Bank of Australia but also the board. It is important, once we have finished this process, that there be some serious consideration of how board appointments are made and how they function. In the past, where there have been any queries over appointments, it has not been the Governor or the Deputy Governor of the Reserve Bank of Australia but the other board appointments that have tended to move more quickly, and, as it currently stands, of course, they move at the discretion of the government of the day. In going forward to the next step in increasing the Reserve Bank of Australia’s independence, that is possibly the most obvious place to look. I would not want to do it without long and deep consideration of the impacts of that—and consulting quite widely within the financial system—because it is important that any replacement, if a replacement is required for the current system, is done thoroughly and
properly and does not create more problems than it solves.

This is just a brief speech to reinforce my support of this current bill and rejection of the proposed opposition amendments. I think they are in response to an almost confected concern and, in other cases, do not really enhance the independence of the Reserve Bank of Australia. These first steps by the government are excellent ones to take.

Senator BUSHBY (Tasmania) (1.49 pm)—I rise today to speak on what I believe to be a highly flawed bill. The Reserve Bank Amendment (Enhanced Independence) Bill 2008 is nothing more than a stunt to create the impression that the Labor government is doing something to address the terrible lack of independence in the Reserve Bank, something it never revered as special or noted as lacking whilst in opposition. Worse, the fact that the bill is replete with holes that are likely to have perverse consequences highlights the Treasurer’s rush to bring this very thin bill to parliament when there was absolutely no reason for haste. It is an example of Labor’s symbolism at its worst.

The need for legislative change to deliver greater independence to the Reserve Bank is not one that has been pressing those who follow financial matters. On the contrary, it is fairly well settled that the Reserve Bank is extremely independent, and this was demonstrated in practice in extremity only last year during the election campaign, when the bank took the unprecedented move of raising the official rate mid-campaign. And on the international rankings of central bank independence—and, yes, such rankings do exist—Australia ranks highly in terms of economic independence but lower in terms of political independence. Why is it lower in terms of political independence? Is it to do with the process involved in removing a board member or the governor, or is it even related to this? Not at all. The only reason the Reserve Bank’s political independence does not rank as highly as its economic independence is that it has the Secretary of Treasury on its board as of right. And, prior to promising to increase the bank’s independence in the lead-up to the election, Labor had never raised its independence as an issue. In fact, the Labor Party is very much a Johnny-come-lately to Reserve Bank independence.

In 1996 Labor criticised the coalition’s reforms to enhance the independence of the Reserve Bank, with the then Leader of the Opposition, Kim Beazley, stating that he was seeking legal advice because Labor did not support the statement on the conduct of monetary policy that then Treasurer Peter Costello signed with then Governor Ian Macfarlane. Remember, this is a Labor Party where Paul Keating said to the Canberra press gallery, as Senator Hurley has already acknowledged today:

I have Treasury in my pocket, the Reserve Bank in my pocket, wages policy in my pocket, the financial community both here and overseas in my pocket.

That was in December 1990, when the CPI was 6.9 per cent, the RBA’s weighted median was six per cent and its trimmed mean was 6.2 per cent and the unemployment rate was 7.2 per cent—all this in an economy still experiencing the disastrous effects of Mr Keating’s ‘recession that we had to have’.

The Treasurer also seems to have had little regard for independence, as he showed in an interjection to comments by the then member for La Trobe in the other place on 7 June 1994. The member for La Trobe said:

What does that amount to if it does not amount to an attempt to interfere in international document making by an independent international authority, the OECD?

Mr Swan replied:

So what?
Such commitment to central bank independence! Now we have Labor experiencing a new enlightenment, which sees them promoting the idea of an independent central bank—something the coalition strongly legislated for, enforced and backed throughout the last 11 or so years it was in government. I put it to you, Mr Acting Deputy President, that their conversion is a charade—a public relations exercise, a sham.

On 30 October 2007 Mr Swan said:
A Rudd Labor Government will improve the transparency of future Reserve Bank Board appointments and remove political considerations from the selection of candidates. It will also improve procedures to ensure only the best qualified candidates are appointed.

From the perspective of the Labor Party, making appointments to the Reserve Bank, such a statement is highly desirable because Labor’s track record is a little concerning. Bob Hawke, a well-known political independent, was put on the board. Why? Because he was ACTU president. Bill Kelty, a party president and financial controller, was on the board. Brian Quinn was on the board, and later went to jail. All were Labor appointments. And there are many other examples, and all of them ‘independent’. I ask you!

So how will Labor move to improve their record in this regard? Mr Swan said they would ask the Reserve Bank governor and Treasury secretary to advise on new procedures to safeguard against candidates with partisan political commitments being shortlisted for consideration by the Treasurer. Prior to these new procedures starting—in April this year, I believe—the governor and secretary would provide a list to the Treasurer, who would make a decision but not necessarily from the list provided. At budget estimates I asked the Secretary to the Treasury, Dr Ken Henry, how their new procedures would play out in practice. He said the primary difference from the previous situation was that they would still provide a list but that the Treasurer had agreed that he must select from that list. This sounds fine but when I asked him how the parliament or the people of Australia could verify that any new appointees had been selected from those included on the list—given that the list would never be made public—he could not provide an answer. So, in the absence of such an answer, there is absolutely no assurance available that the new process is any different from that which was instituted by and worked well under the previous government. Once again, it is spin over substance.

I now come to the specific provisions of this bill. On 6 December 2007, Mr Swan signed and released a statement on the conduct of monetary policy that was essentially the same as that signed by Peter Costello and the governor previously. The statement and associated media release also contained the following statement:

To enhance the independence of the Reserve Bank, the positions of Governor and Deputy Governor will be raised to the same level of statutory independence as the Commissioner of Taxation and the Australian Statistician.

The appointments of Governor and Deputy Governor will be made by the Governor-General in Council and their terminations will require parliamentary approval. Currently the Governor and the Deputy Governor are appointed by the Treasurer and their appointment can be terminated by the Treasurer.

The bill proposes to amend the Reserve Bank Act 1959 so that the Governor-General, rather than the Treasurer, will be responsible for the appointment of the governor and deputy governor of the bank. This is a return to the situation that existed before the commencement of the Financial Sector Legislation Amendment Act (No. 1) 2003, which, supported by Labor in opposition, amended the RBA Act so that the Treasurer appointed
officers and board members so as to streamline the appointment and termination process. Appointments to the Reserve Bank board and payment system board, however, would remain under the administration of the Treasurer. In addition, the bill would require a vote of both houses of parliament on specified grounds to dismiss the governor.

The bill has a separate provision for the suspension of the governor or deputy governor, so the bill would lead to the governor and deputy governor being appointed by the Governor-General, with appointments to the two boards remaining in the purview of the Treasurer.

The Treasurer claims that the bill would lead to the RBA governor having the same status appointment-wise as the Australian Statistician and the Commissioner of Taxation, but—and this is a crucial difference—the ATO and ABS do not have a board of directors and the matters that go to parliament when considering termination are quite different.

Section 24(1)(c) of the RBA Act provides that a governor and deputy governor hold office subject to good behaviour, yet Labor’s amendments provide that the parliament may only pray for their removal on one of three grounds:

(a) becomes permanently incapable of performing his or her duties; or
(b) engages in any paid employment outside the duties of his or her office; or
(c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her salary for their benefit...

That means that, if Labor’s bill is enacted, the parliament would not be able to remove a governor or deputy governor for misbehaviour. The parliament would only be able to remove a governor or deputy governor on three grounds: incapacity, paid employment or bankruptcy—three grounds that are essentially matters of fact.

Section 24(1)(c) of the RBA Act would remain as it is, so the Treasurer would, presumably, still have authority to terminate a governor on grounds of misbehaviour, although this would be less clear should this bill pass. That would be a very tricky situation. Although a Reserve Bank governor has never been dismissed, laws are written to address extreme cases—and a misbehaving governor is one such case. Imagine if you will a governor whose behaviour was of such an appalling nature that the credibility and reputation of the Reserve Bank was suffering. Imagine the potential effects on the confidence of the financial market and the consequences if, in such a circumstance, the unclear nature of the amended RBA Act meant that the Governor-General in Council was unsure about his or her power to terminate the governor for misbehaviour and the misbehaving governor had strong grounds to challenge his or her attempted dismissal. Do not think this is some arcane debate, as suggested by Senator Hurley. Australia has been well served by our Reserve Bank governors and deputy governors, present and past, but a rampaging, misbehaving or irrational governor could cause untold damage to the economy in short order, unlike, say, a tax commissioner or statistician.

Look at the example of the then governor of the Bank of Italy, Antonio Fazio. The scandal with regard to Italy’s central bank governor lasted over six months and badly damaged the reputation of a once august institution. Are we so precious to think that it is impossible for such an event to happen in Australia? The bill produces the absurd result of two dismissal procedures: to the parliament for the factual determination of incapacity, paid employment or bankruptcy and to the Governor-General for the more con-
troversial determination of misbehaviour. Compare this with the RBA Act as it stands, which reads that a Treasurer must terminate the appointment of a governor or deputy governor on the three factual grounds. The bill takes this and makes it an optional decision of parliament. So the parliament might decide to let a bankrupt governor continue in office or it might decide to let a governor who is permanently incapacitated—

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator CHRI$ EVANS (Western Australia—Leader of the Government in the Senate) (2.00 pm)—by leave—I apologise to Senator Johnston for delaying his question. I need to make a statement about ministerial representation. I indicate that Senator Penny Wong is overseas, just for today, representing the government at the Major Economies Meeting in Korea. For today’s purposes, Senator John Faulkner will represent her on climate change, water, the environment, heritage and the arts, and Senator Conroy will represent her on employment and workplace relations, social inclusion, youth, employment participation and the status of women. All party leaders were advised of this late last week.

QUESTIONS WITHOUT NOTICE

Oil Conference

Senator JOHNSTON (2.01 pm)—My question is to Senator Carr, the Minister representing the Minister for Resources and Energy. Given that Mr Rudd promised that Mr Ferguson would be applying the blowtorch to OPEC at their weekend meeting, can the minister explain why Mr Ferguson failed to ask for an increase in oil production at that meeting?

Senator CARR—I thank Senator Johnston for the question. At the Jeddah Energy Meeting in Saudi Arabia yesterday, Australia called on OPEC countries to open their oil resources up for commercial foreign investment. Minister Ferguson strongly argued for an increase in oil production through the easing of foreign investment restrictions within major oil producing nations and an improved market data transparency. Minister Ferguson told the Jeddah Energy Meeting that too many countries are embracing economic nationalism and are preventing investment in stranded oil reserves. The factors which distort the demand and the supply of oil relate to foreign investment impairment, a lack of market data transparency and a lack of transparency in global financial markets. These issues can be solved only through international pressure and cooperation, and the meeting in Jeddah represents a very important first step on that front.

It is important that we recognise that this meeting is not a one-off event; rather, it represents the start of a long-term dialogue. There is no simple solution to this problem, and no one nation can shoulder the burden on its own. An international effort will be required to address these important issues, and the Australian government intends to play a constructive role in this process—

Senator Kemp interjecting—

Senator Carr—and I am sure Senator Kemp would be very interested in the price of petrol in Australia—because the international pressures creating the increase in fuel prices in this country should be more fully understood. The conference highlighted an agreement to work towards greater stability of global oil markets; a recognition of the need for more investment, both upstream and downstream, to ensure that markets are supplied in a timely and adequate manner; a call to improve the transparency, regulation and stability of financial markets through a commitment to improve the quality, completeness and timeliness of oil data submitted
through the monthly Joint Oil Data Initiative; and a commitment to provide assistance to alleviate the consequences of higher oil prices on the least developed countries. There was also a call for enhanced cooperation between international, national and service companies from oil-producing and oil-consuming countries in investment, technology and human resources development. Finally, there was a commitment to promote energy efficiency through the passing on of market price signals. A working group has been established to pursue this action, and a follow-up conference will be held in London to review progress before the end of the year.

Senator JOHNSTON (2.04 pm)—Mr President, I ask a supplementary question. Minister, is it not the case that Minister Ferguson left oil producers with the impression that Australia thinks that oil prices are simply an acceptable result of market forces, given the answer to the first question? Is it not also the case that, instead of taking a blowtorch to OPEC, Mr Ferguson actually took a box of soggy matches?

Senator CARR—What Mr Ferguson has done is effectively represent the policies of the Australian government. In defence of Australian motorists, he has argued the case for why there ought to be increased pressure on oil prices. This is a part of a broader strategy being pursued by the Australian government to promote policies that encourage oil exploration in new frontiers; to produce more of our vast coal, gas and uranium resources; to accelerate the development and the deployment of renewable and clean energy technologies; to promote greater energy efficiency; and to build industry capabilities through education and training.

I will just say this to you, Senator Johnston. In my trips overseas, I was advised by United States energy officials that, between the point at which it leaves the Middle East and the point at which it arrives in the United States, the oil cargo of one vessel is being traded up to 16 times on the international speculative market. (Time expired)

Budget

Senator LUNDY (2.06 pm)—My question is to Senator Conroy, the Minister representing the Treasurer. Can the minister outline to the Senate the importance of the budget surplus to the government’s fight against inflation? Is the government aware of any threats to this strategy?

Senator CONROY—I thank Senator Lundy for her question. The budget delivers a strong surplus to ensure that fiscal policy is playing its part in taking pressure off inflation. Inflation is one of our most pressing domestic challenges. It hurts working families, it erodes living standards and it leads to higher interest rates. Inflation is a pressing challenge not only for the Australian economy but also for other countries. Higher global food and oil prices are feeding inflationary pressures right across the world.

When this government took office, inflation was running at a 16-year high and interest rates had risen 10 times in a row, putting enormous pressure on families and businesses. The opposition have failed to acknowledge the inflation challenge that we face. They describe it as a charade and a fairy story. It was left to the Rudd government to deal with the inflation legacy, to get spending back under control and to begin the much needed investment in our future.

Unlike those opposite, we acknowledged the seriousness of the inflation challenge on day one and we have put in place a plan to address it. Our budget brings spending back under control and begins building supply capacity in the economy. The surplus for 2008-09 of $21.7 billion, or 1.8 per cent of GDP, is the largest budget surplus in almost a decade and the second highest in 35 years.
This surplus is built on substantial savings identified by the government. We have cut growth in real spending for this coming financial year to one per cent from an average of four per cent in the previous four years. That is right: four per cent. To those on the other side who want to claim that they were some sort of fiscal authoritarian: it was four per cent over the last four years. Every single dollar of new spending in 2008-09 has been more than offset by spending cuts. Contrast this with the last budget of the Howard-Costello government: it shovelled out the door $40 billion in new spending and it did not identify one single savings measure—not one. This type of reckless spending and neglect allowed inflation to build to a 16-year high and it produced rate rises over three years.

The government also announced tax measures in the budget which will close loopholes, fix anomalies and enhance fairness in the tax system. Those opposite now want to punch a $22 billion hole in the surplus that this country needs to fight inflation. (Time expired)

Hybrid Vehicles

Senator PARRY (2.10 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister confirm that converting an existing Toyota Camry to LPG would provide greater annual fuel cost savings than would be achieved by a new hybrid Camry?

Senator CARR—The project that the Commonwealth has been fortunate enough to be able to announce, which provides $35 million to bring new fuel savings technologies to Australia, is about creating jobs and tackling climate change. It is a project which, I think, is far too good to miss. It is a project which will secure the production of 10,000 hybrid Camrys per annum and is in addition to Toyota’s existing production of conventional Camrys and Aurions. It will stimulate the development of new production and after-market capabilities. It will get Australia into the green vehicle game, which, until now, we have been watching very much from the sidelines. It will generate hundreds of jobs and cement Australia’s place in Toyota’s global production system. It will encourage a competitive response from other Australian automotive manufacturers who are working on green technologies of their own. The money will be invested in research and development, in retooling and in plant and equipment to produce the hybrid. The Australian government has made it very clear that there are a whole series of benchmarks to be met.

I wanted to make those points because it is quite clear from the opposition’s response to this initiative that they are quite confused. On the one hand, Senator Minchin appears to support the Australian automotive industry and, on the other hand, Senator Abetz has been nothing but hostile. In fact, he has a visceral contempt for the Australian automotive industry. He has demonstrated time and time again his lack of understanding of the significance of the Australian automotive industry. So what we have here is quite clearly confusion on behalf of the coalition.

Senator Minchin—Mr President, I rise on a point of order. The minister has taken two minutes in trying to answer this question. The question was specifically about comparing LPG in a Camry with LPG in a hybrid Camry, and he has made no attempt to get to the question at all.

The PRESIDENT—Senator Carr, I have been listening carefully to your answer and I have allowed a fair bit of latitude in relation to its relevance, but I do believe that you should come back to the question.

Senator CARR—Claims have been made that this is a project that the opposition does
support—that is what Dr Nelson has said—but then we have claims made by senators here that they do not support this project. So which one is it? Do you support this project or don’t you? I think we need a clear statement from you.

Senator Abetz—Mr President, I rise on a point of order. I think the minister is defying your invitation to return to the question and I would invite you to remind him of the question. He clearly is straying.

Senator Chris Evans—Mr President, on the point of order: I think the minister has had about 20 seconds since the last point of order to develop his argument. I think, in all fairness, he ought to be allowed to address the question, as you instructed him.

The President—I agree, Senator Evans; there was only an extra 20 seconds. But, Senator Carr, you have ranged very far and wide and I am struggling to find relevance here. I would ask you to return to the question.

Senator CARR—Mr President, it is a simple proposition: the government’s view is that there are a range of options to be pursued in greening-up the Australian auto fleet quickly. That means LPG, diesel, fuel-injection systems—there is a whole range of actions that this government is taking. But, of course, the opposition takes an entirely different view. The opposition denied climate change when it was in government, and it is now looking for any excuse to oppose new investment, new technologies and new jobs for Australia. If this opposition were serious in suggesting—

Opposition senators interjecting—

Senator CARR—I want to know, though: are you serious in suggesting that we should have knocked back this investment? Are you seriously suggesting that we should take ourselves out of the bid for the one after that?

Senator Kemp—Mr President, I rise on a point of order that goes to relevance. We have waited very patiently now for 3½ minutes for Senator Carr to get to the question. Just to refresh his memory, the question is: can the minister confirm that converting an existing Toyota Camry to LPG would provide greater annual fuel cost savings than would be achieved by a new hybrid Camry? Can he please provide an answer to the question?

The President—Order! We will not continue until the Senate comes to order. Senator Kemp, you will be aware that I cannot direct the minister on how to answer a question; I can only further remind him of the question that was asked.

Senator CARR—Thank you, Mr President. The government’s modelling suggests that savings of some $300-odd a year can be made from an LPG conversion, but savings of up to $1,000 can be found if you are an average motorist driving the hybrid Camry about 20,000 kilometres a year. There are substantial savings in fuel consumption to be had from the hybrid Camry. (Time expired)

Senator Parry—Mr President, I ask a supplementary question of the minister. Is it also a fact that the cost of converting a Toyota Camry to LPG is far less than the likely cost premium for a new hybrid Camry? Doesn’t this just prove that Labor Senator George Campbell—who, I notice, is not in the chamber at the moment—was correct when he described the government’s $35 million gift to Toyota as a ‘pig in a poke’?

Senator CARR—As I have indicated, there are a range of strategies that the government is pursuing, because our commitment is to reduce the cost of running a car for average motorists. Our commitment, our
drive, is to ensure that we take the pressure not only off motorists’ wallets but also off the environment. Our approach is to ensure that these things happen quickly. Alternatively, the former government had 11 years to do something about these issues and, for 11 years, it denied the existence of climate change as a serious issue, denied the science and were sceptics about the whole issue of climate change. Now we have the situation where the opposition wishes to deny an opportunity such as the one which presents itself. According to the opposition, we should have said to Toyota: ‘No thanks. Come back when you’ve got a car good enough for our leading authorities on vehicle technology’—the Liberal Party of Australia! (Time expired)

Budget

Senator JACINTA COLLINS (2.19 pm)—My question is to the Minister for Superannuation and Corporate Law, Senator Sherry, representing the Minister for Finance and Deregulation. Can the minister please update the Senate on any ongoing threats to the government’s budget surplus and on whether there have been any new developments with these threats?

Senator SHERRY—It is important to update the Senate and the Australian public on the daily threats to the budget surplus. The Labor government will build a strong budget surplus of some $22 billion in the next year to fight inflation. It is very important to fight inflation, which is running at a 16-year high, in order to put downward pressure on interest rates. One of the ways to fight inflation is to have a significant budget surplus, which we have—as I have indicated—of some $22 billion. A very strong surplus is necessary for Australia if we are to fight inflation, and that is inflation we inherited from the Liberal-National Party coalition opposite when they were in government. There is greater pressure because of a range of global factors. We have seen the impact of the US subprime crisis and also of world oil prices. We know that the decision by the Liberal-National Party opposition to cause irresponsible delays to key budget measures in a range of legislation in the Senate will mean that, by the time we come back in about eight weeks, we will have lost approximately $284 million.

Senator Jacinta Collins interjecting—

Senator SHERRY—Yes, as my colleague Senator Collins says, it is economic vandalism at its worst. But we have had another series of pronouncements from the Liberal-National Party opposition which pose an even greater threat to the budget surplus. We know that, last month, the interim opposition leader, Dr Nelson, announced a 5c cut in excise on petrol. Last week, we had the member for Aston, Mr Pearce, doubling it to 10c. In the last news cycle, we had the leader of the National Party, Mr Truss, quadrupling it—Mr Truss proposed to quadruple the cut in petrol tax to 20c. So they announced the policy some five weeks ago, then doubled it last week and then quadrupled it. But the problem is that they have never costed it. What would be the cost of these continual bids of the cut to fuel taxes? If we look at the original announcement by the interim Leader of the Opposition, Dr Nelson, the 5c would cost $1.8 billion, or some $7.2 billion—

Senator Kemp—Gosh!

Senator SHERRY—Senator Kemp says ‘gosh’. It comes as a shock. It will come as a real shock for the Australian people if they see the surplus eroded to this extent and upward pressure put on inflation and interest rates. The cost of the proposal for a 10c cut put forward by the member for Aston, Mr Pearce, is $3.6 billion a year. The cost of the proposed 20c cut put forward by the Leader of the National Party, Mr Truss, is $7.2 billion a year to the surplus or a total of $28.8
billion. But the National Party, who are the doormats of the coalition, know they could never implement it because the Liberal Party would never let them implement it. They are just squashed by the Liberal Party. Then we have the Deputy Leader of the Opposition, Ms Bishop, saying that the cut to the excise should be at least 5c. So presumably she wants it somewhere between 5c and 20c. What we have had in the last five weeks are five different proposals—five different, uncosted proposals from an irresponsible and divided Liberal-National coalition about different fuel tax proposals that will erode the budget surplus, put upward pressure on inflation and put upward pressure on interest rates. It is irresponsible and they should get their act straight. Which petrol tax policy do they want? They have got five to pick from. For goodness sake, make up your minds.

The PRESIDENT—Senator Sherry, I remind you that you should refer to people in the other place by their proper titles.

Hybrid Vehicles

Senator McGauran (2.23 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. When were Ford Australia and Holden advised that the government’s green car fund was available for immediate draw down, rather than the 2011 date as stated in the budget?

Senator Carr—The government has made it very clear that it is our intention to move quickly to transform the Australian vehicle industry. We are facing an acute challenge in ensuring that this country is able to respond to the questions of climate change. The previous government chose to ignore these pressures. The previous government chose, for 11 years, to stick its head in the sand and to deny that climate change was an important issue. In fact, I remember that the Leader of the Government in the Senate at the time indicated on numerous occasions his pride at being a climate change sceptic. Of course, he is now the Leader of the Opposition in the Senate, and I wonder whether he still holds those views. I wonder whether or not there has been a transformation in his attitude.

It is the case that the Australian government has made it very clear to the entire industry that our intention is to move quickly. We established the Bracks review to ensure that the broadest possible consultations are had with the Australian auto industry. As I recently indicated, I have had advanced discussions with the major manufacturers—and many of them are the most significant component manufacturers in Australia and internationally—about the prospects of ensuring that new investments are placed quickly so that we can move to have new vehicles on Australian roads and to do so by 2010. I want to emphasise the point that these will be Australian made cars produced by Australian workers with the most advanced technologies that are available in the automotive industry at the moment, because it seems to be a point that is neglected by the opposition. I am confident that by 2010 Australian made cars will feature low emissions and fuel efficient technologies such as hybrid vehicles, diesel engines, active fuel management, direct injection engines made in Australia, enhanced biofuel capabilities, dual petrol-LPG vehicles and LPG-only vehicles. That is all in Australian made vehicles.

Senator McGauran—Mr President, I rise on a point of order on relevance. I have asked the minister when he first informed Ford Australia and Holden Australia in regard to access to the green fund. He is yet to answer that question and he is 3½ minutes into his answer.

The PRESIDENT—I remind Senator Carr of the question.
Senator CARR—I have indicated to the Senate that I have had extensive consultations right across the industry about moving quickly to actually improve the green credentials of the Australian automotive industry. I have moved quickly to ensure that we keep manufacturing in Australia. I have moved quickly, in consultation and partnership with the Australian auto industry, to meet the challenges that are confronted by the industry in the immediate period. As a consequence of those conversations, I am confident we will see a rapid transformation of the Australian industry, and I ask the simple question: where does the opposition stand on these issues? Where do you stand on these questions? Why do you have such a visceral hatred for the Australian automotive industry? Why is it that you have such contempt for the future prospects of an industry that actually employs 66,000 Australians, an industry that is prepared and willing to meet the challenges that it is facing and to work with government to produce a rapid transformation of that industry? Why is it that you have such contempt for the future prospects of an industry that actually employs 66,000 Australians, an industry that is prepared and willing to meet the challenges that it is facing and to work with government to produce a rapid transformation of that industry? I am absolutely confident that that challenge will be met and I look forward to the opposition changing its attitude to this industry as it begins to understand how serious the challenges are.

Senator McGAURAN—Mr President, I ask a supplementary question. The minister’s answer has confirmed what Ford and Holden have confirmed: that the first time they were made aware of access to the green car fund was when they read in the newspaper about the donation, or gift if you like, of $35 million to Toyota—simply a prop up for the Prime Minister’s trip to Japan.

The PRESIDENT—Get on with your supplementary question, Senator McGauran.

Senator McGAURAN—Minister, does this not confirm that that $35 million gift to Toyota was nothing more than a prop up for the Prime Minister’s trip to Japan? It was simply a photo opportunity, a last-minute, on-the-run policy that had nothing to do with involving the whole of the car industry in future industry planning and good environmental policy.

Senator CARR—The negotiations with Toyota, as has been stated publicly, have been progressing since December last year. So rather than being a deal done quickly, as the senator suggests, this is a proposition that has been canvassed and negotiated since December last year. In fact, it was one of the highest priorities of the government to see that these conversations took place. The 10,000 hybrids to be produced in Australia will be a significant addition to the capacity of this country to manufacture green cars and will provide an enormous boost to the capacity of Australian industry to take part in the international automotive industry. We are one of the few countries—(Time expired)

Climate Change

Senator MILNE (2.30 pm)—My question is to the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, Senator Conroy. Given that the only long-term way to constrain petrol price rises, ease the pain for Australian commuters and reduce greenhouse gas emissions from transport is to reduce oil demand by making system-wide alternatives more available, why is the government spending 20 times more on new roads, freeways, flyovers and road tunnels than it is on mass transit? Secondly, why is the government intent on undermining its own emissions trading scheme and its own emissions targets by driving up transport emissions from its road infrastructure funding?

Senator CONROY—Thank you for that question. Perhaps I can be very clear from the outset: the government went to the last election with a very clear program to address
infrastructure bottlenecks in this country. It was a very clear program that included road funding and a fund to develop ports, broadband and other areas that were clearly identified. Not only do we not shy away from your claim; we are proud that we went to the election with this suite of commitments, and we intend to deliver on each and every one of them. We also have, at the same time, a comprehensive package to address climate change. So it is possible for us to address both the infrastructure constraints—we inherited them from those opposite, who spent 11½ years avoiding the Reserve Bank’s warnings, because they just could not understand that, as the economy grew, it introduced capacity constraints—and climate change. Not only do we have a comprehensive package to address climate change, we also have a package designed to ensure that the economy can continue to grow without the inflationary pressures that those opposite have left us with.

As I mentioned earlier, we have the highest inflation rate in 16 years. This is an opposition that has lost touch with the issues affecting ordinary Australians and the pressures that are being put on Australian families. Not only are we proud; we will continue to go forward with both our environment package and our infrastructure package to deal with those issues that you have raised.

Senator MILNE—Mr President, I ask a supplementary question. I note that the government has a policy to drive greenhouse gas emissions up at the same time as they have a policy to bring greenhouse gas emissions down. Given that it is not clear how the government intends to do both at the same time, I ask: will the government refer all of its road funding election promises to Infrastructure Australia to examine the plans against alternatives, such as urban mass transit and regional and intercity rail links? If not, why does the government think it is more important to implement populist election pork-barrelling road funding than to fulfil the Prime Minister’s promise to reduce greenhouse gas emissions and be a world leader on climate change, since you cannot have it both ways?

Senator CONROY—I would disagree completely. We have a comprehensive package to address both of these issues. As for the issue of public transport funding, I accept that the previous government were not interested in it. But this government recognises the importance of the seamless movement of people and freight both within and between cities. You ask whether we would refer this. We debated this at some considerable length in Senate estimates, Senator Milne, as you know. I made it clear over and over again to you and those opposite that our election commitments are guaranteed. The Prime Minister has made it clear that we will continue to deliver on our promises on infrastructure and road funding and we will deliver on our promises on climate change. Your paradigm that you cannot have both, we reject utterly. We reject utterly the claim that you cannot have both. (Time expired)

Climate Change

Senator BERNARDI (2.35 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Senator Conroy identified that the Labor government is intent on honouring its election commitments. Would he inform the Senate whether petrol will be included in Labor’s emissions trading scheme?

Senator CONROY—Global crude oil prices have been rising strongly over recent years—that is something that those opposite did not want to acknowledge—and this is putting pressure on domestic petrol prices and family budgets. The world benchmark West Texas crude oil price is now trading at around $130 per barrel.
Senator Bernardi—Mr President, I rise on a point of order. It is clear that Senator Conroy pushed the wrong button and is reading the wrong answer. I asked specifically whether petrol will be included in Labor’s emissions trading scheme.

Senator Chris Evans—Mr President, I rise on a point of order. There have been persistent points of order that require ministers, within seconds, to address exactly the answer that the senator wants. I suggest that you rule this one out of order and also indicate to the opposition that it is a misuse of question time.

The President—Senator Evans, you are asking me to rule as to whether it is a misuse of question time. I have listened to a few question times in my time here, and I do not think that the taking of points of order is wrong. I would say, Senator Bernardi, that Senator Conroy has been speaking for exactly 28 seconds, but I will listen carefully to hear whether he refers to your question. He is allowed to develop an answer, but I will listen carefully.

Senator Conroy—As I was saying, the price of world petrol has risen and Australian families are suffering because of it. The broader the emissions trading scheme coverage, the lower the cost for all Australians in achieving greenhouse gas emissions reductions. Accordingly, the government has committed to maximal practical coverage. There is wide agreement that over 70 per cent of Australia’s emissions can be practically covered by emissions trading, including emissions from the transport sector. This is consistent with the recommendations of the report of the task force group on emissions trading, which was accepted by the previous government. Excluding transport fuels from the emissions trading scheme—

Senator Ellison interjecting—

Senator Abetz interjecting—

Senator Conroy—It wasn’t me! Excluding transport fuels from the emissions trading scheme would not provide incentives for the market to develop low-cost technologies, such as low-emissions vehicles and fuels, and hence would lower market efficiencies and shift the burden to other sectors. The government will take a careful and deliberate approach to finalising the scheme design, drawing on many sources of advice to achieve the best quality policy outcomes and minimise implementation risks. The government is mindful of a range of impacts that the emissions trading scheme will have on the community and will be designing measures to assist households, particularly low-income households, to adjust to the impact of carbon prices.

Senator Bernardi—Mr President, I ask a supplementary question. The minister referred to pricing pressures and cost pressures on low-income households. I refer the minister to today’s CSIRO report which found that Australian families will be paying at least $10 more per week for electricity, petrol and gas with an emissions trading scheme in place. Can the minister explain how ripping another $8 billion out of the pockets of Australian families will ease the cost of living?

Senator Conroy—The government will use revenue from the ETS to help all Australians, households and businesses, cope with costs and investing in cleaner energy options. An emissions trading scheme will impact on a range of prices in the economy, and this is necessary to transform the economy to reduce Australia’s greenhouse gas emissions. But, as I said, we will be ensuring that we use the revenue to ensure that Australians, particularly low-income households, are given some protections from these issues.
Zimbabwe

Senator WORTLEY (2.40 pm)—My question is to the Minister representing the Minister for Foreign Affairs, Senator Faulkner. Could the minister comment on the withdrawal of Mr Morgan Tsvangirai, the leader of the Movement for Democratic Change, from the Zimbabwean presidential elections due to be held this Friday? What is the Australian government’s response to this development and what further action, if any, might be taken?

Senator FAULKNER—Yesterday the President of the Movement for Democratic Change, Morgan Tsvangirai, announced that he and his party would not contest the presidential run-off election in Zimbabwe on 27 June. In a statement Mr Tsvangirai said that his party could not ask the people of Zimbabwe to cast their votes on 27 June ‘when that vote could cost them their lives’. We recognise that Mr Tsvangirai made this decision because a free and fair election in Zimbabwe would not have been possible. The Mugabe regime has recently decided to restrict monitoring of the 27 June election to a level that would have removed any possibility of a credible poll, and the regime has been escalating its campaign of violence against the MDC and its supporters. MDC supporters have been murdered, they have been detained and they have been tortured. Most recently Mugabe said that the MDC would never rule Zimbabwe and that he was prepared to go to war to prevent them from doing so. Let us not forget that Morgan Tsvangirai received the most votes in the first round of the presidential elections, held on 29 March, and the MDC won the majority of seats in parliament in those same elections. There can be no legitimacy to an election stolen by the Mugabe regime through violence and terror.

The Australian government absolutely condemns the violence and brutal intimida-

tion by the Mugabe regime, and I know all members of parliament and this Senate do also. We call on President Mugabe to stop the violence immediately. The people of Zimbabwe must be given the chance to express their will and they must be given the chance to do so free from fear. The international community must continue to pressure the Mugabe regime to stop the violence. We welcome the UN Security Council debate on Zimbabwe today in New York. We strongly support a full consideration of the situation in Zimbabwe.

Regionally, the Southern African Development Community and the African Union have a lead role to play. We welcome the statements made by a number of African leaders in recent days expressing their deep concern about events in Zimbabwe. We will continue to support their efforts. We will also maintain our bilateral pressure on Zimbabwe. We are actively considering what further measures may be taken to apply pressure to the Mugabe regime, including revising our list of regime members to whom restrictions apply to ensure that new figures in the regime are covered. At the same time we continue to provide humanitarian assistance to the people of Zimbabwe. In 2007-08 we will provide more than $13 million to Zimbabwe, most of which is for essential food aid through the World Food Program. The situation in Zimbabwe is grave and it has been getting worse. The Australian government, along with the international community, condemns the Mugabe regime’s actions and commits to providing ongoing assistance to the people of Zimbabwe, who are the victims of their own government’s brutality.

Senator WORTLEY—Mr President, I ask a supplementary question. To what extent does the Australian government believe that the sanctions already in place in relation to Zimbabwe have been effective?
Senator FAULKNER—Of course, since 2002, which was during the life of the previous Howard government, Australia has had a range of restrictions on contact with Zimbabwe—restrictions on visas for travel to Australia by Zimbabwean ministers and some Zimbabwean officials; freezes on financial assets; suspension of non-humanitarian aid; prohibition of defence links; suspension of bilateral ministerial contact; downgrading of cultural links; and a ban on adult students or sanctioned individuals studying in Australia. I can say that Australia encourages other countries—we encourage the international community—to extend similar levels of sanctions.

Telecommunications

Senator BIRMINGHAM (2.45 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Having embarrassingly withdrawn the Telecommunications Legislation Amendment (Communications Fund) Bill 2008 from the Notice Paper last week while you were away, will the government now give a commitment to the people of rural and regional Australia that it will not raid the $2 billion Communications Fund? Further, having withdrawn this bill, will the minister explain how the government now intends to fund its $4.7 billion national broadband network?

Senator CONROY—The opposition continues to be in a state of confusion. I will not blame Senator Birmingham for firing the bullets provided to him by the shadow minister, Mr Billson.

Senator Faulkner—Or Senator Minchin.

Senator CONROY—I will be kind to Senator Minchin; I do not think so. The opposition continues to suggest that it is unclear what the government’s plans are to do with the Communications Fund. Senator Birmingham and I had a lengthy discussion in Senate estimates about this. Nothing could be further from the truth. On budget night, the Treasurer announced that the Communications Fund balance would be transferred to the Building Australia Fund. This is fully spelt out in black and white on page 184 of Budget Paper No. 2. The Building Australia Fund has been established by the Rudd government as a financing source for future investment in critical economic infrastructure, including broadband. It is for this reason that the Telecommunications Legislation Amendment (Communications Fund) Bill 2008 is no longer required and has been withdrawn.

The opposition has claimed that the telecommunications needs of rural, regional and remote Australia might not be met. I can, however, reassure the Senate that they will be. The Building Australia Fund will be used to provide the government’s contribution of up to $4.7 billion for the national broadband network, which is expected to cover 98 per cent of Australian homes and businesses, including the vast majority of people in rural and regional Australia.

Senator Abetz—According to who?

Senator CONROY—According to the tender proposal, Senator Abetz; it is written there in black and white. In addition, $400 million will also be available from the Building Australia Fund for regional telecommunications, subject to the government’s consideration of the Glasson review. This is in stark contrast to the previous government, which would only have provided around $400 million every three years to spend on improving telecommunications in rural and regional Australia. Under the previous government’s approach, regional Australians would have waited 35 long years to reach the same level of investment that the Rudd government is prepared to make right away. That is right: 35 years from those—
Senator Abetz—You don’t believe that!

Senator CONROY—It is a mathematical fact, Senator Abetz. You were going to spend about $120 million a year; we are spending $4.7 billion. You work it out: it comes to 35 years, Senator Abetz—35 years for you to match what we are doing.

The government is demonstrating its commitment to regional Australians by establishing the Building Australia Fund, which will provide for future investments in critical economic infrastructure across Australia. Let me be clear: the national broadband network is expected to provide dedicated downlink speeds of at least 12 megabits per second to 98 per cent of Australian homes and business, including the vast majority of people in rural and regional Australia. This is a necessary and overdue investment in infrastructure which is critical to Australia’s long-term economic and social prosperity. The government—(Time expired)

Senator BIRMINGHAM—Mr President, I ask a supplementary question. I note the very hollow commitments there to regional and rural Australia. Can the minister confirm if essential network information has now been provided to potential bidders? And, if not, when will it be? Further, how can the Australian public or indeed potential bidders for Labor’s $4.7 billion network have any confidence when the timing keeps changing, necessary information is not yet provided and the government keeps changing its mind on the legislative instrument it is going to use to even fund the network?

Senator CONROY—The difficulty when you are preparing opposition questions is that you are reliant solely on the information you read in the newspaper and a bit of gossip you pick up around the place. It does not matter if it is true. It does not matter if it ignores the facts. The whole question is based on false assertions and on incorrect information, and it is disappointing that Senator Birmingham has chosen to read a question supplied by Mr Billson, who continues to believe his own press releases.

Higher Education

Senator STOTT DESPOJA (2.52 pm)—My question—my last question—is addressed to the Minister representing the Minister for Education, Senator Carr. I refer to the government’s decision to abolish full-fee places, and ask the minister if he is aware of some concern in the higher education sector that the compensation is approximately half what was expected. I ask the minister to outline to the Senate exactly how the formula was created, or how the compensation package was formulated.

Senator CARR—Thank you for the question, and I acknowledge the extraordinary record that Senator Stott Despoja has had on education issues, and I think her passing will leave a hole in the non-government—

Honourable senators interjecting—

Senator CARR—Her passing over to another life! I wish her well.

Honourable senators interjecting—

Senator CARR—All I can say is that it is unlikely that her interest in education is to be replaced by anybody on that side of the chamber when the new Senate is sworn in. The question that the senator asks goes to the phasing out of full-fee-paying domestic undergraduate places at public universities from 1 July 2009. There will be funding of $249 million over 2008-09 through to 2011-12 for up to 11,000 new Commonwealth-supported places to replace fee-paying places, including HECS-HELP affected places. That $249 million includes $242 million in Commonwealth Grant Scheme payments, and universities will also receive around $226 million in student contributions.
The government is providing funding for up to 11,000 new Commonwealth supported places to replace the full-fee-paying places that are currently operating throughout the university system. This should be enough to replace the fee-paying places, and should ensure that students enter university on the basis of merit, and not the ability to pay. This is a policy position the government is strongly committed to. It was an election commitment and it is now being implemented in our first budget. No-one will lose their place. Students who are currently enrolled in a fee-paying place will be able to continue as fee-paying students.

Some universities will receive more revenue from the Commonwealth funding of student contributions than they receive now from fees alone. Some universities that charge very high fees may receive less revenue from the Commonwealth supported places, but assistance for 2009 that may be needed to make the transition to Commonwealth supported places will be discussed with affected universities in the coming months. The government does not intend to simply cover the loss of fees through extra funding to a few universities. This would be unfair to the many universities that either have chosen not to offer fee-paying places or have earned little revenue from them.

Senator STOTT DESPOJA—Mr President, I ask a supplementary question. I could not resist one last go! I thank the minister for his answer, but I ask him to specify more clearly for the chamber—either now or on notice—exactly how the proposed compensation package was actually formulated and what consultations were involved in that process. I also ask a general question of this government, through the minister: can the minister give a guarantee to Australians that the university sector and higher education will not be financially worse off under this government?

Senator CARR—On the second point, I can give a guarantee. I think the last budget demonstrated the extraordinary contributions that have been made to support higher education—notwithstanding the 11 years of neglect we had from the other side of the chamber and the fact that Australia is one of the few OECD countries that actually saw a decline in spending in comparison to our international competitors. The senator asked me what the basis is on which the 11,000 new places have been provided. They were provided on the basis of an election commitment. They were provided on the basis of the funding arrangements that were produced as a result of the data reported through the DEST financial collections, which indicated that public universities received approximately $105 million revenue direct from domestic undergraduate fee-paying students in 2006. That was the basis of the calculation—that was the last available information that was published, and included employer reserved summer school places, which are excluded from this current measure. (Time expired)

Parliamentary Secretary for Multicultural Affairs and Settlement Services

Senator ELLISON (2.57 pm)—My question is to the Minister for Immigration and Citizenship, Senator Evans. I refer the minister to reports about the Parliamentary Secretary for Multicultural Affairs and Settlement Services, who wrote to Muslim ALP members claiming that Councillor Omar Jamal deceived local Muslims and compared him to Anwar el-Sadat in a reference to the belief of some Arabic people that the late Egyptian president had betrayed Palestinians in 1975. Does the minister believe that his parliamentary secretary’s actions make him a suitable person to represent multicultural communities in Australia?

Senator CHRIS EVANS—Yes.
Senator ELLISON—Mr President, I ask a supplementary question. Does the minister condone such a denigration of Mr Omar Jamal, a local councillor with Muslim beliefs?

Senator CHRIS EVANS—The correspondence was made by the parliamentary secretary, Laurie Ferguson, in relation to matters in his electorate. Those are his views—he expresses them forthrightly, as always. He, obviously, has to be accountable for those views. But, as I understand it, he is more than willing to be accountable for those views. In terms of his role as my parliamentary secretary, he has got tremendous experience in the area of multicultural affairs, has great contacts, and has a long-term interest in these matters, as people on the other side have conceded in the past. He is very active in the portfolio and I think is proving to be very effective.

Child Support

Senator WEBBER (2.59 pm)—My question is to the Minister for Human Services, Senator Ludwig. Can the minister please update the Senate on what the government is doing to support children of separated families by helping to ensure that child support payments are made in full and on time?

Senator LUDWIG—I thank Senator Webber for the question. It is a challenging time for all those who are involved in the child support system. All of those people will be aware a new, fairer and more balanced approach to assessing child support will start in one week’s time. The CSA’s compliance approach underpins the integrity of the scheme with a balance of education, support, advice and compliance activities. While the new system is a significant reform, it needs to be supported by a rigorous compliance framework. I think the compliance package I have launched today is an essential complement to the wider changes.

According to the Child Support Agency’s estimates, in the past four financial years there were more people who did not pay up and fully meet their obligations than who did. Child support debt is growing. In the past two years it has grown by over $50 million, at an average annual rate of 5.6 per cent. It is time to strengthen the scheme and seal the leaks.

The previous government promised in the 2006-07 budget measure it would yield $464 million in extra child support by 2010. This forecast collection target was published in the budget papers in 2006-07. I have now been advised that that target was wrong. The $464 million was based on four-year program funding, but not all programs were fully funded over the forward estimates and the intensive debt collection activity was funded for only three years. The previous government continued, of course, to use the uncorrected figures for intensive debt collection activities as late as April last year, although the correct targets were known in May 2006. On the advice provided to me, I think it is important to ensure that the record is corrected. The figures should have claimed $339 million in extra child support under the program funded in 2006-07, a shortfall in the order of $124 million.

Today I announced four new initiatives to enhance the CSA’s ability to ensure all child support payments are paid on time and in full. The first is a new project that will target a small minority of the Child Support Agency’s worst offenders, the optical surveillance program. This will be initiated when it is strongly suspected customers are deliberately attempting to deceive the CSA about how much income they actually earn. Today I also announced we are now formalising an important partnership with Insolvency and Trustee Service Australia. I am concluding a memorandum of understanding with ITSA to formalise arrangements be-
tween the two organisations and bolster collection efforts. The MOU means that the CSA can engage ITSA to seize and sell a Child Support Agency customer’s property in cases where the customer owes child support.

The third reform concerns a change in tax lodgement rules for child support customers. Under current arrangements the tax commissioner asks all paying parents to lodge a tax return. The introduction of the new formula has provided an opportunity to revisit these rules and refine them. I am advised that the tax commissioner will make a regulation under his delegated power to require all child support clients to lodge a tax return, unless of course they have a taxable income of less than $18,252 and they receive income support for the whole of the year. In addition, income-testing arrangements for assessing government financial assistance have not kept pace with the range of remuneration and investment structure options available to Australians. (Time expired)

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

WORKPLACE RELATIONS

The PRESIDENT (3.03 pm)—During question time on Thursday, 19 June 2008, I undertook at the request of Senator Bob Brown to consider whether a supplementary question by Senator Fisher was in accordance with standing order 73. The question concerned began with statements and arguments, which is strictly contrary to standing order 73. Regrettably, over a number of years it has become all too common for questions to be prefaced with material of that kind, and I would again urge senators to make the best use of question time by proceeding directly to their questions and not beginning them with statements or arguments.

QUESTIONS WITHOUT NOTICE:

Hybrid Vehicles

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (3.04 pm)—I would like to correct the record with regard to a statement made in question time. There is always some confusion on the question of fuel usage in vehicles, whether they are six-cylinder or four-cylinder vehicles. I note that the Camry is a four-cylinder vehicle. For the sake of completeness, I would like to indicate that, at today’s fuel prices, a family currently driving a 20,000-kilometre a year conventional six-cylinder petrol car that has achieved 11 litres per 100 kilometres can expect to save somewhere between $300 and $1,100 per annum on fuel costs by switching to green car technologies. For a high-tech petrol powered green car of the same size with cylinder deactivation, turbo charging or direct injection, the saving would be $330 a year. For a diesel powered car, it would be $374 a year, for an LPG powered car it would be $1,092 a year and for a petrol-electric hybrid the saving could be $990 a year. These comparisons of course depend on the relative fuel prices. They are the latest estimates I have received from my department. However, we must also remember, because of the price differential between LPG and petrol, the cost saving is not the same thing as a reduction in greenhouse gas emissions.

PARLIAMENTARY LANGUAGE

Senator JOYCE (Queensland) (3.05 pm)—by leave—Mr President, during question time today Senator Sherry referred to the National Party as ‘the doormats of the Liberal Party’.

Government senators interjecting—
The PRESIDENT—Order on my right!
Senator Conroy—You won’t even be that shortly!

The President—Senator Conroy, I have called you to order.

Senator Joyce—I want to ask whether under standing order 193 that is unparliamentary and, if that is the case, whether you can instruct the minister to withdraw the comment.

The President—(3.06 pm)—I will look carefully at that, Senator Joyce, and I will give you a response.

Questions without notice: take note of answers

Oil Conference

Senator Bernardi (South Australia) (3.07 pm)—I move:

That the Senate take note of the answer given by the Minister for Innovation, Industry, Science and Research (Senator Carr) to a question without notice asked by Senator Johnston today relating to the cost of oil and the Jeddah Energy Meeting in Saudi Arabia.

We have seen an astounding thing today: once again, we have had a very clear confirmation that the Rudd government are entirely without substance. They will say and do anything to get a headline but, when it comes to delivering, they fail at every single turn. Most recently, we have had Mr Ferguson, as the emissary of Kevin Rudd, the Prime Minister, going over to turn the blowtorch on OPEC producers. What did that blowtorch become? Senator Johnston today—

The Deputy President—Order! Please resume your seat for a moment, Senator Bernardi. There is too much noise around the chamber. Those not participating in the debate or not wanting to listen to the debate, please move out of the chamber.

Senator Bernardi—I note they are all staying. Mr Deputy President, which means that they want to listen to what I have got to say today. This is an example of just how weak the government are. They have gone over there with a promise to turn the blowtorch on OPEC and they have tried to light a box of damp matches—and they have failed, too.

Senator Jacinta Collins—Damp or soggy?

Senator Bernardi—This is a damp and soggy government. It is a government that is completely without the trust of the Australian people. It was Francis Bacon who said: ‘Trust not servants who mislead or misinform you.’ That is why the Australian people cannot trust the Rudd government. As was the case with all of us here, Mr Rudd was elected with the faith of the Australian people as a servant of the Australian people. He promised that a central focus for him in government would be examining ways of reducing financial pressures on Australian families in relation to the rising costs of groceries, petrol and child care. Well, he has failed. Groceries have risen by 25 per cent or more in some cases thanks to Mr Rudd. Bread has gone from $3.07 a loaf in December last year to $3.89 today at Coles in Westland. We have seen cheese up 25 per cent to $6.88 for 500 grams. Basic mince meat—the staple of so many Australian families—has gone up nearly 10 per cent in that six-month period. Mr Rudd and his band of merry men and women are simply watching prices rise, watching prices cripple Australian families.

In relation to oil and petrol, Mr Rudd made a promise to the Australian people, who entrusted him to reduce the price at the bowser. What have we seen? The price of fuel at the pump was $1.37 when Mr Rudd came to power and today in metropolitan South Australia it is $1.71. It is crippling Australian families. And when Mr Rudd sends one of his ministers over to apply the
blowtorch, what happens? He cannot even get a spark. He squibbed it at the very first turn. But, of course, Mr Ferguson does not see it like that. He says:

But when you go to the issue of increasing production, it also goes to questions of demand ...

Well, that is an enlightened comment! He continues:

We also argued that countries have to look at the issue of subsidies which is propping up demand at the moment, which goes to increasing the supply of oil in the global community.

More tautology from a government interested only in spin, rather than actual substance.

Some unkind people would say that the government are in fact a bubble—a bubble in search of a thought—because the best thing they can do is come up with ways to review, watch and look at prices rise and put them on websites. If you wanted to encapsulate the government’s approach to prices and reducing the pressure on Australian families, you would have to describe them as economic voyeurs—because they like to watch prices rise. They do nothing; they are the voyeurs of the economic system. It is simply: ‘Let’s have another review and another inquiry and then we’ll wash our hands of it and say that we cannot do anything about it.’ They are not reducing the pressure on Australian families; they are increasing it through complete inaction. They make promises to fit in with a news cycle—and they have failed. You have failed with regard to grocery prices and you have all failed with regard to fuel prices, and you know it. You should hang your heads in shame. The Australian people paid heed to your very clear promises—and what have you done? You have done absolutely nothing. You have had seven months of treading water.

**Senator Ludwig**—What is your policy?

**Senator BERNARDI**—Right now the Australian people are drowning in the problems of your making. It is an absolute shame.

(Time expired)

**The DEPUTY PRESIDENT**—I remind senators on my right that, if they wish to participate in the debate, they can put their name on the list of speakers and I will willingly call them. Otherwise, speakers should be heard in silence.

**Senator HUTCHINS** (New South Wales) (3.12 pm)—I do not think that I can match that performance by Senator Bernardi—that bit of confected anger—but, to continue his allegory, if I am one of the merry men and ladies here of Kevin Rudd, let me just say that we are feared by the bad and loved by the good.

Over the last weekend our Minister for Resources and Energy went to Saudi Arabia to work out a global solution to this difficulty with other major producers, suppliers and consumers. Let me contrast this with the coalition’s position. What is the coalition’s position? At this point, there are six things on offer from the coalition. The first is, as we know, from the interim opposition leader, Brendan Nelson: to cut the fuel excise by—

**The DEPUTY PRESIDENT**—You should give him his proper title.

**Senator HUTCHINS**—I said ‘opposition leader’. The first, from Dr Nelson, is 5c a litre. Then we have Mr Costello, the member for Higgins. His campaign director, Mr Pearce, is demanding that they go even further—to 10c. I understand the National Party leader, Mr Truss, is now offering 15c. I also understand that the shadow Treasurer, Mr Turnbull, the member for Wentworth, has not expressed a view at all—so I gather he may actually be supporting our position. I understand that the member for Lyne, the former Deputy Prime Minister, Mr Vaile, has said that it should go up to 20c a litre. And then I
understand that the Deputy Leader of the Opposition, Ms Bishop, has said that it should be at least 5c.

So, of six situations that we are faced with from the opposition, there are six solutions that they want us to look at—one going up to at least 5c a litre and one going up to 20c a litre. I want to contrast that with what we are doing. This is not a time for politicking by their side. We have a serious crisis confronting not only our nation but the rest of the world. This is probably the third major oil crisis in our history, and the first since the 1970s, and consumers, producers and suppliers have come together in Jeddah to try to work out a solution. What were some of the solutions that they spoke about and committed to? They worked out that there are problems and difficulties in the supply chain, problems in production and problems in investment and technology. These were all discussed at a conference of all nations in Jeddah over the weekend—and we were there. We came back and we are looking for solutions—not only Australia but also all those other nations who are critically involved in all those aspects of production, supply and consumption of oil products.

We are all aware that there are difficulties and unrest all over the world as a result of these increased prices. And what is the coalition’s solution? They have six solutions. On any one day there could be another one from any major figure—not only from a back-bencher like Mr Pearce but also from the leader of a major party, like Mr Truss, or from the Deputy Leader of the Opposition. And the shadow Treasurer stands back and says nothing.

We have been dealing with this for some time, in contrast to the inaction of the opposition. We are working at alternative fuel strategies. We have a national energy strategy. We have boosted our investment in public transport through the massive investment and infusion of infrastructure funds in the last budget. We have also, as was highlighted, been pushing forward with fuel efficient cars. This is in contrast to what the opposition are up to. They have no solutions; they were not there at the table. They could well have been there over the past 11 years, when they had the opportunity to participate. But what were their solutions? We have already heard of their solutions in opposition—to go with six different policies over six different days. We have four more days of parliament left; there may well be four more positions being proposed by the opposition over that time. We know what we are up to and we are investing in the future. 

(Time expired)

Senator FIFIELD (Victoria) (3.17 pm)—Cost of living pressures—fuel, groceries, utilities, rent—are always a challenge, particularly for pensioners. It is the more vulnerable, those on low incomes, who feel not only large movements in price but smaller movements in price as well. The government took advantage of these people at the last election, and they rode into office on the back of rhetoric deliberately designed to mislead and to leave the impression that they would do something about price pressures, about cost of living pressures.

I must be fair—Labor do have a plan; they have a series of plans in relation to the cost of living. They have a plan for grocery prices, and that plan is—surprise, surprise!—an inquiry. They have a plan for fuel, which is to watch it. Mr Deputy President Hogg, I am not sure if you are a fan of Peter Sellers’s movies or a fan of the Peter Sellers character Chauncey Gardiner in the movie Being There. Labor really are taking the Chauncey Gardiner approach. Chauncey liked to watch, and that is what Labor like to do too. The plan for utilities that Labor have is to make them more expensive by introducing an
emissions trading system. None of the elements of Labor’s plan will do a thing to lower the price of goods.

It is in the area of fuel that Labor’s approach is absolute and pure folly. Firstly, Labor cannot decide if they want fuel prices to go up or if they want fuel prices to go down. Labor say that they want cheaper fuel but they cannot decide if they want fuel included in an emissions trading scheme. When the member for Flinders in the other place asked the Minister for the Environment, Heritage and the Arts the question, ‘Does the minister want petrol prices in Australia to go up or go down?’ Mr Garrett responded:

... in relation to the matters that any government would want to bring forward to deal with the question of petrol prices, this government has delivered.

So, in the view of Mr Garrett, this is as good as it will get. Secondly, Labor’s Fuelwatch scheme is not even supported by Minister Ferguson, who wrote to Minister Bowen saying:

Your assertion that Fuel Watch will be pro-competitive is unsubstantiated and ignored the very substantial evidence that it is anti-competitive.

He went on to say:

I note that ... the biggest beneficiaries would be the least price-sensitive motorists and the smallest beneficiaries would be the most price-sensitive—working families in places like western Sydney.

So, the Fuelwatch scheme is actually going to do harm to the very people it is designed to protect, and it is not supported by Minister Ferguson. But also the scheme is not supported by the four senior economic departments with responsibility for providing policy advice in this area. We have seen the cabinet coordination comments, courtesy of Mr Oakes, that those four departments do not support the Fuelwatch scheme. Mr Swan dismissed those four departments as being a bit academic. As for the bureaucratic advice which Labor, in opposition, said that they wanted to receive—they said that they wanted bureaucratic advice given to them without fear or favour—when it comes in against what they are proposing they dismiss it as being a bit academic.

The Prime Minister cannot even deliver on his own rhetoric. We know that the Prime Minister said that he was going to apply the blowtorch to the OPEC organisation. The Prime Minister was essentially saying that the government was going to do a bit of a Gordon Ramsay in relation to OPEC—that OPEC would be left in absolutely no doubt what this government’s view was of their limiting supply. But what do we have? Nothing; not a single word. On ABC Radio this morning, Ben Knight asked Mr Ferguson, ‘How damaging was that blowtorch comment when you don’t even ask for an increase in oil production?’ I will not bother reading out what Mr Ferguson said, because it is incomprehensible. I will not torment you by reading his comments because that would just not be fair. In contrast, the opposition have a clear plan: a cut of 5c a litre. It is a plan which this government should adopt. We have a clear plan—5c a litre—that would deliver real and immediate benefit for Australian motorists and is more than rhetoric. (Time expired)

Senator JACINTA COLLINS (3:22 pm)—No amount of rhetoric or references to Gordon Ramsay, Chauncey Gardiner, Robin Hood or bubbles will conceal the fact that this opposition remains in denial. Eleven years of government did we have from this now opposition in denial about how to deal with fuel prices—and not only fuel prices; now we have analogies with other areas of social policy. Senator Bernardi referred to food costs and childcare costs but I have not yet heard anything of substance on this issue from any speaker taking note today. I sat
back and I listened to: ‘Yes, we are dealing with OPEC,’ and I thought, ‘Great, we’ll hear a substantive response to the Prime Minister’s comments today in question time.’ And what have I heard? Nothing.

The closest we got was Senator Fifield referring to the opposition’s 5c cut in fuel tax—uncosted, as we all know, in the budget reply and it remains uncosted. On top of that, we have heard the suggestion from everyone else in the opposition about what it should or might be, ranging from a minimum of 5c, as Senator Hutchins pointed out, up to a 20c cut. So what is the opposition’s plan? I still have heard nothing. What I did hear today, though, when listening to the House of Representatives and the Prime Minister referring to OPEC and the Jeddah summit, was a plan that included some significant detail about supply and demand side initiatives that are being progressed.

Let me go to a few of the conference outcomes, because these have not been covered in the debate today. The conference outcomes included an agreement to work towards greater stability of global oil markets; a recognition of the need for more investment, both upstream and downstream, to ensure that the markets are supplied in a timely and adequate manner; a call to improve the transparency and regulation of financial markets; a commitment to improving the quality, completeness and timeliness of oil data submitted through the monthly Joint Oil Data Initiative to help improve market transparency and stability; and a commitment to providing assistance to alleviate the consequences of higher oil prices on the least developed countries.

What we are talking about here is a complex global problem. If I were someone in the Australian general public listening to this debate today, I would be appalled at the other side’s lack of understanding of the problem and its contribution on how to deal with it. Most Australians are aware of the Howard government’s record on fuel prices—they have been paying at the pump for many, many years—and they do not attribute to the Rudd government the state of play as it stands today. But what we can say, and what Mr Rudd said in the other place today quite clearly and quite effectively, is that we are now dealing with the problem. We have a suite of supply and demand side initiatives that take a long-term approach to these problems. These initiatives include improving energy efficiency on the demand side and dealing with inefficient extraction on the supply side. The Rudd Labor government is seeking to ensure in the longer term that Australians are not paying more at the pump than they need to.

Let us look at other areas of policy, as Senator Bernardi did, such as childcare costs and food costs. Let us look at the blatant hypocrisy that comes from the other side on these issues. I recall recently the shadow minister for ageing saying, ‘Yes, we’ll talk about increasing the age pension.’ I think that lasted one day. This opposition cannot get its act together in terms of its policies. It is offering nothing significant to people on age pensions, and the Australian public will understand that.

This opposition presided over unknown increases in the cost of childcare services. When we introduced legislation to deal with those issues, the shadow minister responsible for the policy area managed a few glib comments in his second reading contribution in the Senate, and that was all. But then he used it as an example in relation to fuel pricing. Well, I am sorry but a little more substance will be required of the opposition, whether it be on fuel prices, aged care policies or childcare costs. (Time expired)
Senator McGAURAN (Victoria) (3.27 pm)—It is a shame that the new senator, who replaces Robert Ray, has certainly not lived up to the standard of the former godfather of the Labor Party. We all read on the weekend exactly what we already knew in this parliament—and what was made public in the media, page after page and in current affairs shows over the weekend. It was made public finally, and thank goodness. After only six months in government, this government is in chaos from the top down. We know that every decision is logjammed in the Prime Minister’s office and that the Prime Minister is making all the errors that he made when he was chief of staff to the former Premier of Queensland, Mr Goss. The Prime Minister has learned nothing and he has brought all those errors to the prime ministership. We learned over the weekend that the government is being run from the top, from an inner sanctum of two junior staffers—two inexperienced staffers who have been given senior positions—who are dictating to the ministers across here and in the House the policies, announcements and decisions of this government. Within six months, the government has reached the point of utter chaos. This sort of leadership cannot last. We were in government for 11½ years. Take it from us that it cannot be sustained, nor can a government be sustained when every decision is log-jammed in the Prime Minister’s office.

I daresay the more experienced of those on the other side—like Senator Sherry, who has experienced government in the past—know that only too well that the Prime Minister cannot sustain this style of leadership. In fact, over the weekend, senior commentators were discussing the possibility that, at this rate and unless it changes, this will be a one-term government. This is a Prime Minister who is not going to change; this we know. So they are now talking about a one-term government.

The story is told that one of the few one-term presidents in the United States, Jimmy Carter—the great disaster—ran his White House in exactly the same way, to the point where apparently he was also running the White House tennis rosters. What stage is this Prime Minister going to reach? I would not be surprised if he were running the tennis rosters.

You are a bunch of cowards. Senator Conroy: how tough was he in opposition? Now that he has come into government he is kowtowing and making all his decisions through the Prime Minister’s office.

Senator Conroy—Which party are you in? It’s the visionary!

Senator McGAURAN—Mr Deputy President—soon to be President, I hope—no government has come into power with a greater inheritance. No government has squandered the inheritance—

Senator Conroy—The visionary!

Senator McGAURAN—You are calling Mr Rudd a visionary, are you?

Senator Conroy—No, you’re the visionary.

Senator McGAURAN—I will take that compliment. From whence it came and why I will never know. No government has come to power with such an inheritance: a strong economy and government finances in order. The government today knows what it received: absolutely no debt. It is one of the few governments in the world—you could count them on one hand—with no debt. With a surplus budget, a near-full employment rate and a goal of full employment left to it by the previous government, no government has come to power with a greater inheritance of finances that are in order; yet within six months it has all been squandered. It has all been squandered on the basis of the leadership and how they have run the government.
and made their budgetary decisions—how they have come to the absurdities of the commissions and the committees of inquiry that they have set up. This is a government internally in chaos.

It is a disappointment that, for all the rhetoric and promises that they entered government with—they lifted the hopes of the Australian people—they have crashed. It has not come through in the polls as yet, as we know, but they are hurtling to earth. They will crash to earth. They cannot sustain this sort of leadership, this sort of disappointment. We already see it in the 15-year lows in the consumer confidence index. The business confidence index has slumped, and future investment possibilities have slumped. This is a government that, within six months, is in chaos. (Time expired)

Question agreed to.

Climate Change

Senator MILNE (Tasmania) (3.33 pm)—

I move:

That the Senate take note of the answer given by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to a question without notice asked by Senator Milne today relating to petrol usage.

As I indicated in my question, it is very clear that the only long-term way to constrain petrol price rises and ease the pain for Australian commuters as well as to reduce greenhouse gas emissions from transport is to reduce demand through system-wide alternatives. I listened to Senator McGauran saying this government came to power without debt. There was a massive debt in the Australian economy in terms of climate and in terms of infrastructure. When this government came to power, we had a total collapse in the Murray-Darling system as a result of long-term drought made worse by climate change, and we had had a decade of complete neglect on climate change and peak oil.

In 2006 I moved in the Senate for an inquiry into Australia’s future oil supply and alternatives. In that inquiry we demonstrated the argument very strongly for peak oil—the recognition that Australia was running out of any self-sufficiency in oil and would soon become dependent on expensive imported oil, that cheap, plentiful oil was over, that we needed to invest massively in public transport, and that we needed to get ABARE to smarten up its ideas on predicted prices. We looked at a whole range of things like going to AusLink and forcing them to look at alternatives—to review the road funding and get some decent analysis on future oil supply—and the government of the day did absolutely nothing. The Howard government completely ignored the recommendations of that inquiry, and now we sit here with this government ignoring them as well.

The key point I chose to make today was that the Prime Minister said he wanted to be a world leader in reducing greenhouse gas emissions. At the same time, the government, in the budget, has approved $4.3 billion worth of funding for transport which is 20:1 going to roads, freeways and cross-city tunnels—the whole shebang—and not to urban passenger transport, in particular urban rail. We do not want duplication of services; we want proper linkages and improved outer suburban transport to regional and intercity rail links. That is where money should be being spent, but it is not.

Senator Conroy told us that the government intends to massively increase road funding and road use and at the same time reduce greenhouse gas emissions from transport. That is fascinating, because you simply cannot have it both ways. Certainly, we need mandatory vehicle fuel efficiency standards—absolutely right—and we need them very soon. We needed them a decade ago. China and plenty of other countries around the world have them; we do not. We need
them. But, on their own, they are not enough. We need to reduce the number of cars on the road and make the ones that are there more efficient. Reducing the number on the road means a massive investment in public transport.

You just have to look at other cities to see how far behind the rest of the world Australia is. London and Paris are investing in centres where you can take your electric vehicle and plug it in. They have free vehicles in the centre of the city. You pay £75 in London for a key that gives you access to plug-in. You can book the car and drive it in the city, recharge the battery and leave it at the centre, and so on. Paris has just announced 4,000 of these, following up on a free bicycle strategy that works in the same way. Where are we in Australia? A mile behind.

Just in estimates, the minister said that Australia’s niche is in building the V8s for the US market. How backward are we in Australia in terms of addressing peak oil and climate change? Just last week, Permo-Drive chairman, Colin Henson, said that the $5 million that they now will not get from the Commercial Ready program is going to cost them the rollout of this technology. The government must look at the consequences of abandoning Commercial Ready and abandoning these innovative companies with proven technology. The US military has looked at this technology and says it works. They had venture capitalists ready to invest on the back of $5 million through the Commercial Ready program—instead of that the whole thing has collapsed.

It is quite clear to me that the whole of the road funding needs to go to Infrastructure Australia so that that new body can have a look at the road funding in the light of climate change and peak oil. A refusal to do that, a refusal to refer these election promises for roads to Infrastructure Australia, means that we are going to drive emissions higher and have little regard for the impacts in terms of scarce oil resources. This government does not have a whole-of-government approach to climate change. *(Time expired)*

Question agreed to.

**PETITIONS**

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

**Goods and Services Tax Exemption for Aged Pensioners**

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

The Petition of the undersigned shows:

The inability of pensioners to manage to maintain their independence and continue to live in their own homes or other chosen accommodation on the present rate of pensions. The following would greatly assist them in maintaining their independence.

Your Petitioners ask that the Senate should consider the possibility of bringing in

1. GST exemption for aged pensioners on all goods and services
2. The possible use of an Identity Card, like our Drivers Licence Card—showing photograph of the holder—to be shown when purchasing goods—to alleviate the possibility of misuse.

by Senator Webber (from 1,018 citizens)

Petition received.

**NOTICES**

**Presentation**

Senator Mark Bishop to move on the next day of sitting:

That—

(a) the following matter be referred to the Foreign Affairs, Defence and Trade Committee for inquiry and report by 30 May 2009:

The major economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific, with particular reference to:
(i) the implications for Australia, and
(ii) how the Australian Government can, in practical and concrete ways, assist these countries to meet the challenges; and

(b) the inquiry include an examination of the following:
(i) employment opportunities, labour mobility, education and skilling,
(ii) barriers to trade, foreign investment, economic infrastructure, land ownership and private sector development, and
(iii) current regional organisations such as the Pacific Islands Forum and the Secretariat of Pacific Community.

Senator Mark Bishop to move on the next day of sitting:

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade Committee on Australia’s involvement in peacekeeping operations be extended to 31 July 2008.

Senator Bartlett to move on 25 June 2008:

That the Senate—
(a) notes that:
(i) the International Covenant on Civil and Political Rights applies to the treatment of Falun Gong practitioners worldwide, and
(ii) the practise of religion should not form the basis of the incarceration of any individual; and
(iii) petitions containing many thousands of signatures have been tabled in the Australian Parliament since 1999 regarding the persecution of Falun Gong practitioners in China; and

(b) expresses its support for a cessation of the persecution of Falun Gong practitioners in China and the release of all practitioners from prisons and labour camps before the 2008 Olympic Games.

Senator Nettle to move on the next day of sitting:

That the Senate—
(a) notes that:
(i) the International Covenant on Civil and Political Rights applies to the treatment of Falun Gong Practitioners worldwide, and
(ii) the practise of religion should not form the basis of the incarceration of any individual;
(b) appreciates the commitment by the Prime Minister (Mr Rudd) to being a zhengyou, or a ‘true friend’, to the Chinese leadership and his willingness to raise challenging human rights issues; end
(c) expresses its support for an end to the persecution of Falun Gong practitioners in China and their release from prisons and labour camps before the 2008 Olympic Games.

Senator Fifield to move on the next day of sitting:

That the following matter be referred to the Education, Employment and Workplace Relations Committee for inquiry and report by 11 November 2008:

The current level of academic freedom in school and higher education, with particular reference to:
(a) the level of intellectual diversity and the impact of ideological, political and cultural prejudice in the teaching of senior secondary education and of courses at Australian universities, including but not limited to:
(i) the content of curricula,
(ii) the content of course materials,
(iii) the conduct of teaching professionals, and
(iv) the conduct of student assessments;
(b) the need for the teaching of senior secondary and university courses to reflect a plurality of views, be accurate, fair, balanced and in context; and
(c) ways in which intellectual diversity and contestability of ideas may be promoted and protected, including the concept of a charter of academic freedoms.

Senator Nettle to move on the next day of sitting:

That the Senate—

(a) notes:

(i) the growing tension between the United States of America (US), Israel and Iran, including recent military exercises by Israel,

(ii) the recent statement by Israel’s Deputy Prime Minister Shaul Mofaz that Israel would attack Iran if it continued with its nuclear program, and

(iii) that US intelligence bases in Australia are likely to be used in any US military strike on Iran; and

(b) calls on the Government to:

(i) support a diplomatic resolution to the crisis, and

(ii) rule out Australian support for a military strike on Iran.

Senator Ellison to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) currently persons who reside in Australia on a temporary Retirement Visa (subclass 410) are unable to apply for permanent residency, and

(ii) this is a small group of people with a high commitment to Australia who are restricted in the contribution they can make to our nation as a result of being unable to apply for a permanent visa;

(b) recognises that:

(i) many 410 visa-holders are highly skilled, yet they are restricted to just 20 hours of work per week due to the restrictions on their temporary visa,

(ii) if 410 visa-holders were able to apply for permanent residency, then as permanent residents there would be no restrictions on their workforce participation and this would be of benefit to the labour market, the Australian economy and the individuals concerned, and

(iii) a number of these visa-holders have a strong involvement in community and volunteer activities and that, again, the nature of the visa restricts the number of hours that the individual can commit;

(c) believes that these individuals should not be subject to the uncertainty and requirement to comply with visa renewal requirements;

(d) recognises:

(i) the additional cost in taxation and health insurance that these visa-holders are subject to as a result of being on a temporary visa, and

(ii) that these visa-holders have a strong commitment to the community and should not be restricted in the contribution they can make;

(e) believes that it is fitting that Australia acknowledge the commitment of many of these visa-holders to our nation; and

(f) calls on the Government to enable temporary retirement 410 visa-holders to apply for permanent residency.

Senator Barnett and Senator McGauran to move on the next day of sitting:

That the Senate—

(a) recognises the importance of the Kokoda Track campaign in World War II in stopping the overland Japanese advance to Port Moresby, which would have given the enemy a beachhead into Australia;

(b) acknowledges the courage, endurance, mateship and sacrifice demonstrated by the Australian Defence Force personnel during the Kokoda battles;

(c) pays tribute to the contribution of the Papua New Guinea (PNG) nationals, specifically the Koiari people, affectionately known as ‘Fuzzy Wuzzy Angels’, in carrying supplies and equipment for Australian
soldiers in the Kokoda campaign as well as the carriage of wounded to safety;
(d) notes that the Kokoda battles were fought in PNG from July 1942 on Australian soil; and
(e) in recognition of this contribution, urges the Australian Government to:
   (i) acknowledge the service of the PNG nationals affectionately known as Fuzzy Wuzzy Angels,
   (ii) issue an appropriate medal of recognition to the remaining Fuzzy Wuzzy Angels or their surviving families,
   (iii) consider any other appropriate initiatives including making a small ex-gratia payment to each Fuzzy Wuzzy Angel, in recognition of their contribution over and above the call of duty, and
   (iv) examine and where appropriate fund initiatives to upgrade the health and education status of the PNG people in the isolated villages along the Kokoda Track.

Senator WATSON (Tasmania) (3.40 pm)—I give notice that on the next day of sitting I shall withdraw business of the Senate notice of motion No. 1 standing in my name for the disallowance of ASIC Class Order [CO 07/753], made under paragraphs 601QA(1)(a), 911A(2)(1), 1020F(1)(a) and 1020F(1)(c) of the Corporations Act 2001, be disallowed.

Senator Bob Brown to move on the next day of sitting:
That the Senate—
(a) notes the statement in Lhasa on 21 June 2008 by Tibet’s Communist Party Secretary General Zhang Qing Li, that ‘we will certainly be able to totally smash the splitist schemes of the Dalai Lama clique’;
(b) calls on the Minister for Foreign Affairs (Mr Smith) to ascertain if Mr Li was reflecting the policy of the People’s Republic of China and, if so, how that policy is being carried into effect; and
(c) asks the Minister to find out how many Tibetan citizens, arrested since violence erupted in Lhasa in March 2008, remain in custody and, as of 23 June 2008, how many have been brought to trial.

Senator O’BRIEN (Tasmania) (3.41 pm)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that, on the next day of sitting, I shall withdraw business of the Senate notices of motion Nos. 2, 3, 8 and 9 standing in my name for thirteen sitting days after today for the disallowance of the:

I seek leave to incorporate in Hansard the committee’s correspondence concerning those instruments.

Leave granted.

The correspondence read as follows—
Agricultural and Veterinary Chemicals Code Amendment Order 2007 (No. 1)
Listable Chemicals Product (Joint Health Products for Dogs and Horses) Standard 2007
13 March 2008
The Hon Tony Burke MP
Minister for Agriculture, Fisheries and Forestry
Suite M1.26
Parliament House
CANBERRA ACT 2600
Dear Minister
The Committee’s function is to examine all legislative instruments subject to disallowance or disapproval by the Senate to ensure that they comply

CHAMBER
with broad principles of personal rights and parliamentary propriety.

The Committee has considered three instruments made under the *Agricultural and Veterinary Chemicals Code Act 1994* and identified the following matter that may not comply with those principles.

**Agricultural and Veterinary Chemicals Code Amendment Order 2007 (No. 1)**

**Listable Chemical Product (Home Swimming Pool and Spa Products) Standard 2007**

**Listable Chemical Product (Joint Health Products for Dogs and Horses) Standard 2007**

The Committee notes that section 17 of the *Legislative Instruments Act 2003* directs a rule-maker to be satisfied that appropriate consultation, as is reasonably practicable, has been undertaken particularly where a proposed instrument is likely to have an effect on business. Section 18 of the Act provides that in some circumstances consultation may be unnecessary or inappropriate. The definition of ‘explanatory statement’ in section 4 of the Act requires an explanatory statement to describe the nature of any consultation that has been carried out or, if there has been no consultation, to explain why none was undertaken. The Explanatory Statements that accompany these instruments make no reference to consultation. The Committee therefore seeks your advice on whether consultation was undertaken and, if so, the nature of that consultation.

The Committee also seeks an assurance that future explanatory statements will provide information on consultation as required by the Legislative Instruments Act.

The Committee would appreciate your advice on the above matter as soon as possible, but before 28 April 2008, to enable it to finalise its consideration of these instruments. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair

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18 June 2008

Senator Dana Wortley
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG49
Parliament House
CANBERRA ACT 2600

Dear Senator Wortley


These instruments were developed by the previous government. I am advised that the amendment instrument’s purpose was to avoid duplication and ambiguity created by the label requirements specified in the Order compared with the label requirements specified in the standard. The label requirements in the standard are intended to take precedence over those specified in the Order.

I understand that the purpose of the standards was to give effect to Part 2A and Part 2B of the *Agricultural and Veterinary Chemicals Code Act 1994* which contain provisions for the low-regulatory scheme for agricultural and veterinary chemicals. These provisions were introduced in 2003 so that industry would benefit from a decreased regulatory burden when following the registration process for low-risk agricultural and veterinary chemical products. Under these arrangements, the listing of products, or classes of products, allows for them to be registered on application against established standards.

The decision as to which products, or classes of products, should be listed was made by the Australian Pesticides and Veterinary Medicines Authority (APVMA) in consultation with industry stakeholders and representatives of state government agricultural and primary industry departments commencing in 2005. This led to written statements on the consultations held, and advice given to the APVMA being provided to Senator
the Hon. Richard Colbeck, the then Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, in accordance with subsections 56C(2) and 56ZU(4) of the code.

The Department of Agriculture, Fisheries and Forestry is aware that section 17 of the Legislative Instruments Act 2003, requires a rule-maker to be satisfied that appropriate consultation, as is reasonably practicable, has been undertaken where a legislative instrument is likely to have an effect on business. The department accepts that it should have included information on any consultation undertaken in the associated explanatory statement and will ensure that future explanatory statements provide information on consultation as required by the Legislative Instruments Act 2003.

While the code allowed the Parliamentary Secretary to direct the APVMA to conduct a round of formal public consultation, I am informed that at the time, he was satisfied that sufficient consultation had occurred with all stakeholders and, accordingly, decided not to require the APVMA to publish a notice in the Gazette seeking further comment.

Please accept my apologies for the delay in responding to your letter.

Yours sincerely

Tony Burke
Minister for Agriculture, Fisheries and Forestry

The Committee has considered the Agricultural and Veterinary Chemicals Code Amendment Instrument No. 1 (Trial Protocols) 2008 made under subsection 31(1) of the Agricultural and Veterinary Chemicals (Administration) Act 1992 and identified the following matters that may not comply with those principles.

Section 17 of the Legislative Instruments Act 2003 directs a rule-maker to be satisfied that appropriate consultation, as is reasonably practicable, has been undertaken particularly where a proposed instrument is likely to have an effect on business. Section 18 of the Act provides that in some circumstances consultation may be unnecessary or inappropriate. The definition of ‘explanatory statement’ in section 4 of the Act requires an explanatory statement to describe the nature of any consultation that has been carried out or, if there has been no consultation, to explain why none was undertaken. The Explanatory Statement that accompanies this instrument makes no reference to consultation. The Committee therefore seeks your advice on whether consultation was undertaken and, if so, the nature of that consultation.

Further, the Explanatory Statement contains a footnote which explains the accepted meaning of the phrase “application for chemical products”. It would assist in achieving clarity and certainty if the interpretation section of the principal Instrument (section 4) were amended to include this definition.

The Committee would appreciate your advice on the above matters as soon as possible, but before 28 April 2008, to enable it to finalise its consideration of this Instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair
Dear Senator Wortley

Thank you for your letter dated 13 March 2008 seeking advice on any consultation undertaken on the amendment instrument, Agricultural and Veterinary Chemicals Code Amendment Instrument No. 1 (Trial Protocols) 2008, made on 3 January 2008 by the Chief Executive Officer of the Australian Pesticides and Veterinary Medicines Authority (APVMA).

The instrument’s purpose was to amend the Agricultural and Veterinary Chemicals Code Instrument No. 2 (Modular Assessment Fees) 2005 by providing a significantly reduced application fee for trial protocols requiring residues assessment. I am advised that this responded to concerns raised by the six companies affected by the fee when it was initially introduced. This fee was reduced from $2025 to $1070, and in view of the numbers involved, I understand that the APVMA regarded the change as being minor and wider consultation was not, therefore, considered appropriate.

The APVMA is aware of requirements of section 17 of the Legislative Instruments Act 2003, which require a rule-maker to be satisfied that appropriate consultation, as is reasonably practicable, has been undertaken where a legislative instrument is likely to have an effect on business. The APVMA accepts that it ought to have included information in the associated explanatory statement about the complaints it had received and that the amendment lessened the burden on applicants.

Relating to the footnote in the explanatory statement to the amendment, the APVMA accepts the Senate Standing Committee’s point that inclusion of the definition in the interpretation section of the Principal Instrument (section 4) would improve clarity and certainty.

The APVMA notes that the Principal Instrument should not have used the expression ‘application for chemical products’ but throughout should have referred to ‘application for registration of chemical products’ and also, where appropriate, ‘application for a permit in relation to chemical products’. I am informed that the error was noticed only after the amendment instrument had been prepared. The footnote was inserted simply to overcome the use of the shortened expression in the Principal Instrument. The shortened expression is in very common usage by applicant companies in the agvet chemicals industry and by the APVMA, and it is most unlikely that it would cause any confusion. Nonetheless, it is, strictly speaking inaccurate as it is not consistent with the language in the Agricultural and Veterinary Chemicals Code Act and the Agricultural and Veterinary Chemicals Code Regulations.

At the next opportunity, the APVMA intends to consolidate the three existing Agricultural and Veterinary Chemicals Code Legislation Instruments and will ensure the shortened expression is not used at all and that the full expressions ‘application for registration of chemical products’, ‘application for a permit in relation to chemical products’, and now ‘application for a trial protocol in relation to chemical products’ are used, as appropriate, throughout the new Principal Instrument. This will mean that neither the footnote nor a provision in the interpretation section of the Principal Instrument would be required.

Please accept my apologies for the delay in responding to your letter.

Yours sincerely

Tony Burke
Minister for Agriculture, Fisheries and Forestry

Senator O’BRIEN (Tasmania) (3.42 pm)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that 15 sitting days after today I shall move:

That the Torres Strait Regional Authority Section 142S Declaration 2008, made under subsection 142S(1) of the Aboriginal and Torres Strait Islander Act 2005, be disallowed. [F2008L00357]

I seek leave to incorporate in Hansard a short summary of the matter raised by the committee.

Leave granted.
The summary read as follows—

Torres Strait Regional Authority Section 142S Declaration 2008

This instrument specifies the membership of the Torres Strait Regional Authority.

Sub-rule 7(6) states that ‘this section displaces section 142Y of the Act’. It is not clear what the authority for this ‘displacement’ is. Paragraph 142S(2)(c) of the Act provides that the Minister may issue a notice that provides for the method and timing of election of certain types of TSRA members. That appears to be the purpose of rule 7 in this Determination. However neither section 142S nor section 142Y of the Act makes specific reference to ‘displacing’ section 142Y. It is also not clear what the word ‘displaces’ means in this context. The Committee has written to the Minister seeking further advice on this matter.

COMMITTEES

Legal and Constitutional Affairs Committee

Extension of Time

Senator O’BRIEN (Tasmania) (3.43 pm)—At the request of Senator Crossin, I seek leave to move a motion relating to the presentation of a report of the Standing Committee on Legal and Constitutional Affairs.

Leave granted.

Senator O’BRIEN—I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Committee on the Rights of the Terminally Ill (Euthanasia Laws Repeal) Bill 2008 be extended to 25 June 2008.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

General business notice of motion no. 94 standing in the name of the Leader of the Opposition in the Senate (Senator Minchin) for today, proposing an order for the production of documents relating to government appointments, postponed till 24 June 2008.

General business notice of motion no. 95 standing in the name of the Leader of the Opposition in the Senate (Senator Minchin) for today, proposing an order for the production of documents relating to grants approved in each portfolio or agency, postponed till 24 June 2008.

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 24 June 2008.

General business notice of motion no. 105 standing in the name of Senator Johnston for today, proposing the introduction of the Save Our Solar (Solar Rebate Protection) Bill 2008, postponed till 24 June 2008.

General business notice of motion no. 122 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, relating to carbon sequestration in Australia, postponed till 24 June 2008.

General business notice of motion no. 123 standing in the name of Senator Bartlett, seek leave to amend the motion standing in our names.

Leave granted.

Senator STOTT DESPOJA—I move the motion as amended:

That the Senate—

(a) welcomes the Government’s engagement with the United Nations (UN) and commitment to human rights via its:
(i) proposed ratification of the Convention on the Rights of Persons with Disabilities, and
(ii) consultations on Australia’s ascension to the Optional Protocol to the Convention against Torture and other Cruel, Inhumane or Degrading Treatment or Punishment;
(b) notes that:
(i) Australian companies are increasingly active in developing countries, some of which have weak regulatory environments,
(ii) the Special Representative of the UN Secretary-General on the issue of human rights and transnational corporations and other business enterprises has reported to the Human Rights Council on the responsibilities of host and home states and the corporate responsibility to respect human rights,
(iii) the Special Representative emphasises that it should be an ‘urgent priority of governments’ to ‘foster a corporate culture respectful of human rights at home and abroad’, and that states must provide access to remedies, and
(iv) the Special Representative advises that companies have a responsibility to respect human rights, undertake human rights impact due diligence, and institute rights-compliant grievance mechanisms; and
(c) calls on the Government to:
(i) encourage Australian companies to respect the rights of members of the communities in which they operate and to develop rights-compliant grievance mechanisms, whether acting in Australia or overseas,
(ii) consider the development of measures to prevent the involvement or complicity of Australian companies in activities that may result in the abuse of human rights, including by fostering a corporate culture that is respectful of human rights in Australia and overseas, and
(iii) support development at the international level of standards and mechanisms aimed at ensuring that transnational corporations and other business enterprises respect human rights.

Question agreed to.

INDEPENDENT REVIEWER OF TERRORISM LAWS BILL 2008

First Reading

Senator TROETH (Victoria) (3.46 pm)—I, and also on behalf of Senator Humphries, move:
That the following bill be introduced: a bill for an act to appoint an independent reviewer of terrorism laws, and for related purposes.

Question agreed to.

Senator TROETH (Victoria) (3.46 pm)—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 TROETH (Victoria) (3.46 pm)—I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—
Since the terrorist attacks on the USA on September 11 2001, and other attacks on Australian nationals ascribed to terrorists, the Australian parliament has enacted more than 30 laws dealing with terrorism. The legislature has agreed on a bipartisan basis that protecting Australians from the threat of terrorism demands exceptional restrictions on civil liberties and freedom of speech and association.

The Attorney-General has been given powers to “list” organisations as involved in terrorism, and membership and support of such organisations are criminalised.
ASIO can detain people for interrogation. Those suspected of terrorist involvement may be subjected to control orders and preventative detention.

These measures and others have proved to provoke considerable debate within the community and the parliament about the necessity for and the desirability of such measures. Parliament has agreed to them, though not always unanimously and often with reservation.

Some have expressed views that aspects of the current regime are draconian. Obviously, our response to the threat of terrorism cannot simply be more and more stringent laws, more police and more intelligence personnel. Rather, we need to provide adequate safeguards to ensure scrutiny, accountability and transparency. This point was made by the European Commissioner for Justice, Freedom and Security, Mr Franco Frattini in a speech to the EU Conference on Public Security, Privacy and Technology on 20 November 2007 and acknowledged by the Attorney-General, Robert McClelland in a speech to a Security in Government Conference at the National Convention Centre in Canberra on 7 December 2007.

The challenges of protecting security without undermining fundamental rights requires constant vigilance. In an effort to address this, when Parliament passed the Security Legislation Amendment (Terrorism) Act of 2002, the then Opposition instigated a requirement that the Attorney-General establish a one-off public and independent review of the operation of a number of counter-terrorism laws.

This saw the establishment of the Security Legislation Review Committee headed by the retired NSW Judge Simon Sheller with members including the Inspector General of Intelligence and Security (who oversees bodies such as ASIO) the Human Rights Commissioner and two lawyers nominated by the Law Council of Australia. This was known as the Sheller Committee.

It reported in 2006 and its first recommendation was to establish a mechanism for further independent review—either the appointment of an independent reviewer, or a further review by an independent body. The United Kingdom has had an individual independent expert for a number of years.

This idea was subsequently examined in detail by the Australian Parliament bi-partisan Parliamentary Joint Committee on Intelligence and Security which unanimously endorsed the proposal in September 2007.

For instance, two laws which are not subject to review are the Commonwealth Anti-Terrorism Act 2004, which increased maximum questioning and detention times by police for terrorist offences and the Anti-Terrorism Act (No. 3) which provides for the confiscation of travel documents and prevents people from leaving Australia.

The joint committee’s recommendation for a position of an independent reviewer of terrorism laws to be created was first made in 2006 and reiterated in 2007. The former government did not respond to the unanimous and emphatic recommendation, and so far Attorney-General McClelland has not commented on the proposal and has simply advised that the Rudd Government is considering a number of useful recommendations made by the Parliamentary Joint Committee as well as the Sheller committee and the Australian Law Reform Commission.

So I move this bill.

The Independent Reviewer as proposed would be appointed by the Governor General, and the Prime Minister of the time would consult with the Leader of the Opposition in the House of Representatives prior to the recommendation; this is modelled on the appointment provisions of Inspector General of Intelligence and Security Act 1986—section 6.

The Independent Reviewer would review the operation, effectiveness and implications of the laws relating to terrorist acts, and can conduct reviews on his/her own motion, at the request of the Minister (Attorney-General) or at the request of the Parliamentary Joint Committee on Intelligence and Security. He/She will also determine priorities as they see fit.

The Reviewer must inform the Minister of a proposed review, must have regard to the work of other agencies to ensure co-operation and avoid duplication (Ombudsman), and would have the power to obtain confidential information neces-
sary for reviews (this was recommended by the Joint Committee)

The Reviewer will provide an annual report and reports of reviews of laws to the Minister. These must be tabled in Parliament and the Minister must provide a response to reports of reviews of laws. As well, the reports must be considered by the Joint Committee on Intelligence and Security.

The Reviewer will be appointed for five years, and will be able to be re-appointed for one further term of five years (same as Inspector General for Intelligence and Security) The Officers can only be terminated by Governor-General for specified reasons e.g. Misbehaviour (same as Inspector-General for Intelligence and Security)

The legislation is essential to ensure the reviewer's independence and to give the powers needed to do the job well. I am indebted to my colleague, Mr Petro Georgiou MP, Federal Member for Kooyong, who provided much of the detailed information for this speech and who introduced the bill into the House in March this year. It was regrettable that the Labor Government, which had strongly supported the creation of this position when in Opposition, used its numbers in the House to prevent any discussion of the bill without giving a reason.

I hope it swiftly reconsiders and decides to support the implementation of this much needed measure.

I hope Parliament is given the opportunity to endorse the proposal and ensure its implementation as a matter of priority.

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

Leave granted; debate adjourned.

AUNG SAN SUU KYI

Senator STOTT DESPOJA (South Australia) (3.46 pm)—I move:

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.

Question agreed to.

COMMITTEES

Community Affairs Committee

Report

Senator O'BRIEN (Tasmania) (3.47 pm)—At the request of Senator Moore, I 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.

Question agreed to.
MINISTERIAL STATEMENTS
Australian Participation in OECD Working Group on Bribery
Commonwealth Chief Nursing And Midwifery Officer And Other Health Reforms
East Timor

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.47 pm)—I present three ministerial statements relating to Australian participation in OECD working group on bribery; Commonwealth Chief Nursing and Midwifery Officer and other health reforms; and East Timor.

The statements read as follows—

AUSTRALIAN PARTICIPATION IN OECD WORKING GROUP ON BRIBERY

On 17 and 18 June, Australia presented a comprehensive report on our anti-bribery framework, to the OECD Working Group on Bribery in International Business Transactions, in Paris. Australia is a member of the Working Group, which was founded in 1994 to monitor the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Corruption has a negative effect on economies and seriously undermines trust in civil institutions, as well as severely damage the international trading reputation of all nations.

Australia is committed to playing an active role in combating bribery of public officials around the globe.

Australia was responding to the Working Group report on Australia’s implementation of the Convention, published in January 2006. The report is generally positive of Australia’s implementation, with recommendations for improvement focusing on three areas:

(i) improving public and private awareness of Australia’s foreign bribery offence
(ii) improving investigation and detection of foreign bribery, and
(iii) specific measures for preventing and detecting foreign bribery.

Australia’s response to these recommendations has been a Government-wide project, with participation from more than 20 Government agencies.

To ensure our anti-corruption systems accord with the Convention and world’s best practice, Australia has brought together:

• Federal, State and Territory law enforcement bodies;
• agencies responsible for domestic and international criminal and tax policy;
• our international trade and development agencies; and
• those agencies who work domestically to promote the high standards of the Australian Government.

Last week the OECD expressed its view that Australia’s implementation of the Convention was above average for OECD nations.

There is still work to be done and the Government remains committed to combating foreign bribery.

COMMONWEALTH CHIEF NURSING AND MIDWIFERY OFFICER AND OTHER HEALTH REFORMS

Mr Speaker, members may be aware that one of the Government’s election commitments in health was to establish the position of Commonwealth Chief Nursing and Midwifery Officer. I’m delighted to congratulate Ms Rosemary Bryant on the announcement today of her appointment to this role within the Department of Health and Ageing.

Mr Speaker, nurses are a critically important part of Australia’s health workforce. There are some 150,000 nurses working in our hospitals – both public and private – and around 245,000 nurses working in the health system more generally. Yet until today nurses have not had a proper voice within policy-making at the Commonwealth level. With Ms Bryant’s appointment to the role of Commonwealth Chief Nursing and Midwifery Officer, from now on nurses will have a strong voice within the Commonwealth government, not just on nursing workforce issues, but on the issues facing the health system more generally in which nurses play such a vital part.
In her role as Commonwealth Chief Nursing and Midwifery Officer, Ms Bryant will undertake a range of important roles:

- As the Government’s most senior adviser on nursing workforce issues, she will play help to shape policies which will strengthen the nursing profession as a career or choice;
- She will play a key role in developing a strategic and collaborative approach to nursing policy across both the Commonwealth and states/territories;
- Ms Bryant will advise the Government on implementation of existing commitments, including our plan to bring thousands of extra nurses back into the hospital workforce;
- She will help lead the maternity services review; and
- She will play a key role in the health reform debates and new policy formation that are so central to the Rudd Government’s long term view of the need to reshape our health system – from prevention right through to hospitals. At every step of the way – nurses of one form or other play a central role.

Rosemary Bryant comes to the role of Commonwealth Chief Nursing and Midwifery Officer with a wealth of knowledge and experience. She is currently Executive Director of the Royal College of Nursing, and has worked in a wide range of hospitals and community settings. She was previously the Director of Nursing Policy and Planning in the Victorian Government, and the Director of Nursing at Royal Adelaide Hospital.

Ms Bryant was elected as a member of the Board of the International Council of Nurses (ICN) in 2001 and was elected as its Second Vice President in 2005. She has also provided advice to the World Health Organisation on nursing in Nepal.

One of the first tasks I’ll be asking Ms Bryant as Commonwealth Chief Nursing and Midwifery Officer to undertake is to lead the Government’s Maternity Services Review. This Review – which was another of the Government’s election commitments – is a first step towards developing a comprehensive plan for maternity services into the future.

This piece of work will canvass a wide range of issues relevant to maternity services, including pregnancy, birthing, postnatal care, as well as care for parents who have lost babies. The Government wants to ensure we have the best system possible in place to provide high quality care for mothers and newborns, because we recognize that early care is the key to giving children the best start in life.

I will be asking Ms Bryant as Commonwealth Chief Nursing and Midwifery Officer to lead this Review, because one of the things the Government would like to see come out of the Review is the potential for a greater role for midwives in the provision of maternity services. Midwives are highly skilled, highly qualified health professionals – and we believe there is scope for them to be playing a greater role in the provision of maternity services around the country.

The Government has also announced recently a number of other very important policy initiatives, in which the Commonwealth Chief Nursing and Midwifery Officer will play a leading role, which are part of this Government’s agenda to shape a health system designed to tackle the challenges of the future.

Key among these is the development of a National Primary Care Strategy. The Strategy will look at how to deliver better coordinated, more efficient, more accessible frontline care to families across Australia. Practice nurses, community nurses, district nurses, diabetic educators (the list could go on) are already part of that frontline – but we want to consider if all health professionals skills are being properly utilised and supported to provide access to top quality care at all times.

In particular the development of the Primary Care Strategy will focus on:

- Better rewarding prevention in primary care;
- Promoting evidence-based management of chronic disease;
- Better supporting patients with chronic diseases like diabetes, heart disease, and asthma to manage their condition;
- Supporting the role GPs play in the health care team;
• Addressing the growing need for access to other health professionals, including practice nurses and allied health professionals like physiotherapists and dieticians; and
• Encouraging a greater focus on multidisciplinary team-based care in primary care settings.

Dr Tony Hobbs, a rural GP from Cootamundra in NSW and the current Chair of the Australian General Practice Network is leading an external reference group to advise the Department of Health and Ageing on the development of the Primary Care Strategy.

I will be asking the Chief Nursing and Midwifery Officer to be involved in the development of the Primary Care Strategy – given the important role that practice nurses play in primary care settings, and the scope, amongst other things, for looking at how the roles of practice nurses as well as nurse practitioners might be expanded. The development of the Primary Care Strategy will of course also examine critical questions of workforce more generally.

Alongside this work, a review of the Medicare Benefits Schedule primary care items is also being undertaken – with a focus on reducing red tape for doctors, simplifying the Medicare schedule, and giving more support to prevention. Just as importantly, we are undergoing extensive reform in the hospital sector as well – investing more heavily than the past government in public hospitals and working through COAG and the National Health and Hospitals Reform Commission to see how we can mould our health system and workforce to meeting the needs of the Australian community into the next decades. The voice of doctors and specialists in this debate is critical, but so too is the expertise of others, notably the large nursing workforce in our hospitals and the increasingly specialised role they play in everything from aged care, to child and maternal health, to dialysis and critical care.

The position of Chief Medical Officer has existed since 1985 to provide clinical medical advice to the Commonwealth Government (prior to which the Secretary of the Department of Health was always a medical doctor). The Chief Nursing and Midwifery Officer will play a complementary role on nursing issues. We will continue to work with and engage with professional and stakeholder organisations across the spectrum, especially in allied health, but we welcome the source of ready advice to Government from a dedicated nursing adviser during this busy reform era.

These policy initiatives, including the announcement of the appointment of the Commonwealth Chief Nursing and Midwifery Officer, are about planning for a health system which is designed to tackle the challenges of the future.

This Government wants to take a strategic approach to health workforce issues, in particular as they relate to nurses, the largest single group in the health workforce; and taking a strategic, long-term approach to the provision of services including maternity services and primary health care – the latter which is of fundamental importance if we are to keep Australians healthy and out of hospital.

I’m delighted once again to congratulate Rosemary Bryant on her appointment to the position of Commonwealth Chief Nursing and Midwifery Officer and I look forward to working with her, on behalf of all nurses and the broader community, and welcome the important role she will play in the Government’s health reform agenda into the future.

East Timor

Mr Speaker the Foreign Minister and I recently had the opportunity to discuss Security Sector issues in East Timor with the United Nations Special Representative of the Secretary General, Dr Atul Khare. Dr Khare and I discussed the importance of security and stability to international development efforts in East Timor. We agreed that an ongoing strong role for the UN Police will be vital to ensure that the East Timorese Police have sufficient support to carry out their duties and increasingly assume the mantle of law and order in the country.

Dr Khare and I also shared the view that any future drawdown of the UN Police mission in East Timor needs to be based on the achievement of performance benchmarks by the East Timorese Police. When these benchmarks are met any drawdown would then be managed modestly, cautiously and in consultation with Australia.
Mr Speaker, East Timor is an enduring security interest for Australia. As one of our nearest neighbours we have a strategic and a humanitarian interest in assisting East Timor to develop and grow as a secure, stable and democratic nation.

Like so many new nations, East Timor has faced struggles and challenges as it has emerged into the world. As a country with evolving state structures, political conventions and facing many challenges relating to poverty, unemployment and a lack of infrastructure, East Timor has grappled with instability and violence for much of its brief independent life.

Dealing with such instability and creating the conditions for growth, security and development are long-term tasks. The Australian Government is committed to a Whole-of-Government approach to East Timor’s development, Defence is committed to working with other Australian Government agencies and the International Community to provide the conditions and institutions necessary to create the stability and security that development activities need in order to take hold.

Mr Speaker, my view of East Timor is one of optimism. This optimism is not merely born from hope but rather it is the optimism born from the knowledge that the Australian Defence Force is working hard and working smart to build a stable East Timor through effective operations and targeted assistance.

Defence has been approaching this in two ways. Firstly in response to specific security incidents in April 2006 Australia has deployed and leads the International Stabilisation Force known as the ISF. The ISF is a joint force of around 750 Australians and 170 New Zealanders that are there to provide meaningful back up to the United Nations and East Timorese Police. This force has been remarkably successful in calming the situation and giving the Police the support they need to enforce and promote the rule of law.

The attacks on President Horta and Prime Minister Gusmao by disaffected former East Timorese soldiers earlier this year were a setback for the country but a setback I now believe has been overcome. Australia’s rapid response to these attacks and the prevention of follow up violence is a testament to the professionalism of the ADF and their knowledge and expertise in East Timor.

Since these attacks outbreaks of violence have been avoided and significant progress has been made by the East Timorese Government in addressing and resolving the issues of the disaffected former soldiers. The ADF contribution to the International Stabilisation Force will continue to work with the East Timorese authorities and the United Nations to provide the assurance they need to do their work.

The second way that defence is assisting to create stability is by building the East Timorese security institutions, in particular the East Timorese Defence Force known as the F-FDTL. Through the Defence Cooperation Program, Australia is working hard to build the core skills necessary for a modern and effective Defence Force.

Under the Defence Cooperation Program, Australia has embedded advisers in key areas to assist in the capability development of the F-FDTL and Ministry of Defence. There are currently 18 Australian Defence advisers, both military and civilian, in East Timor. These advisers include specialists in Communications, Medical, Logistics, Engineering, Finance and Strategic Policy. We will also be deploying an additional 14 advisers to further build the capacity of the F-FDTL.

The Defence Cooperation Program is also funding projects including a Specialist Training Wing to develop soldiers with engineering, communications and medical skills as well as improving the communications fit out of F-FDTL bases. In addition East Timorese soldiers receive English language training and general education courses so that they can undertake complex military instruction in Australia at places like the Royal Military College at Duntroon.

Recently the Australian Government has approved an enhanced package of Defence Cooperation for East Timor that will build local capacity to undertake nation building engineering tasks, improved maritime security capabilities and develop a peacekeeping role. We are also undertaking the building of armouries to ensure that East Timorese weapons are held securely and reduce the risk of weapons falling into the wrong hands as has occurred in the past.

Building the capability of the Defence Force is only one part of improving the Security Sector in East Timor. Defence maintains extensive links
with the United Nations and the Australian Federal Police to ensure that programs such as the Police Development Program and other Security Sector reform initiatives marry up with the work we are doing on the military front.

All of this effort can only happen in an environment of cooperation. Australia works closely with New Zealand, the United Nations and the Government of East Timor to ensure that the assistance we are providing is targeted, welcomed and appropriate to the broader development goals for the country. In turn my Department works hard to make sure that the Defence component of Australia’s assistance complements the efforts of the Australian Federal Police, the Department of Foreign Affairs and Trade, AUSAID and other Australian Government agencies.

This effective application of Civil Military Cooperation underscores the important work that will be undertaken by the Asia Pacific Centre for Civil Military Cooperation that is being established in Queanbeyan under the guidance of my Parliamentary Secretary, the Member for Eden Monaro.

Mr Speaker, as I discussed with my East Timorese colleague Dr Julio Tomas Pinto at the Shangri La dialogue in Singapore late last month, Australia stands ready to assist East Timor to develop in any way we can. Helping to build a solid, well trained and apolitical Defence Force for East Timor is one way that my Department can create the conditions necessary for stability to take hold and for democracy and prosperity to flourish.

Mr Speaker let me close by taking the opportunity to pay tribute to three men who have played an important role in our success in East Timor and operations elsewhere. On July 3 Vice Admiral Russ Shalders, Lieutenant General Peter Leahy and Air Marshal Geoff Shepherd will retire as Chiefs of their respective services.

On behalf of the Government, the Parliament and the Australian people I pay tribute to the three service chiefs for their professionalism, their dedication and their leadership.

I thank them for their service and wish them the very best wishes for the future.

COMMITTEES

Employment, Workplace Relations and Education References Committee

Report: Government Response

The DEPUTY PRESIDENT—Pursuant to standing order 166, I present the government’s response to the report of the Employment, Workplace Relations and Education References Committee on workplace agreements which was presented to the President on 20 June 2008. In accordance with the terms of the standing order, the publication of the document was authorised. In accordance with the usual practice and with the concurrence of the Senate, I ask that the government response be incorporated in Hansard.

The response read as follows—

GOVERNMENT RESPONSE TO THE SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE REPORT WORKPLACE AGREEMENTS

On 23 June 2005, the Senate referred an inquiry into workplace agreements to the Employment, Workplace Relations and Education References Committee (the Committee) with a reporting date of 31 October 2005.

The Committee’s terms of reference included issues which the Government announced would be part of the Workplace Relations Amendment (Work Choices) Bill 2005, however full details of this Bill were not available to the Committee before the reporting date.

When preparing the report on Agreement Making, the Committee was asked to ascertain whether the then Government’s proposed agreement making system would meet the social and economic needs of all Australians. While the report made no recommendations, it did note a number of key concerns about the then proposed Workplace Relations Amendment (Work Choices) Act 2005.

Key concerns raised by Labor Senators in the majority report included the importance of a continuing role for awards in Australia, a need to assist employees in the bargaining process, a need to include protections for vulnerable workers and
protections for employees in relation to excessive hours of work. In addition, it was noted that the then Government’s proposals were not designed to create long term productivity and were not accompanied by any supporting empirical economic evidence.

These important concerns were ignored by the previous Government. However they have been taken into consideration by the Rudd Government in formulating its policy for Australia’s new workplace relations system. Legislation to commence the transition to this new system was introduced on 13 February, passed on 19 March and commenced on 27 March 2008.

The Government has committed to a workplace relations system that provides fairness, flexibility and encourages productivity, including:

- a uniform national workplace relations system for the private sector;
- a strong safety net of terms and conditions of employment including 10 legislated National Employment Standards and modern, simplified awards;
- simpler bargaining and collective agreement making arrangements;
- a range of workplace arrangements including collective agreements with individual flexibility clauses and common law contracts;
- an end to the making of new Australian Workplace Agreements which have caused unfairness to employees and a bureaucratic backlog;
- a new genuinely independent umpire and one stop shop called Fair Work Australia;
- a simpler and fairer unfair dismissal system which balances the rights of employees to be protected from unfair dismissal, with the need for employers to manage their workforce, and to ensure a faster, less costly and less complex process for all. The Government’s unfair dismissal system will include specific measures for small business including a new Fair Dismissal Code.

The Government intends to introduce legislation to implement these commitments in 2008.

The Rudd Government is committed to developing a simpler, fairer and more productive workplace relations system for Australia’s future.

AUDITOR-GENERAL’S REPORTS

Report No. 42 of 2007-08


PARLIAMENTARY ZONE

Proposal for Works

The DEPUTY PRESIDENT—In accordance with the provisions of the Parliament Act 1974, I present a proposal by the Department of Parliamentary Services for works within the Parliamentary Zone, together with supporting documentation, relating to the construction of a childcare centre.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.49 pm)—by leave—I give notice that, on 25 June 2008, I shall move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the Department of Parliamentary Services to the construction of a childcare centre.

Senator STOTT DESPOJA (South Australia) (3.49 pm)—by leave—I move:

That the Senate take note of the documents.

I want to commend the tabling of the proposal for a childcare centre at Parliament House. On a very professional note, I want to say that this is long overdue. Also, I want to publicly commend individuals who, dating back from the construction of this building, have worked incredibly hard to see a childcare centre established in this place. I know that the proposal is talking about the mechanics for it to be constructed, with a view
to it opening in January next year. I pay particular tribute to the work of Trish Crossin, who has campaigned tirelessly not only on a cross-party basis but also with successive governments and bureaucracies to ensure that one day this place will have a childcare centre.

Finally, it is a real indictment of policy makers of successive governments and of this building as it now operates that we have celebrated its 20th anniversary and it still has no amenities for people with children. Do not get me wrong: I am not just talking about members of parliament—and I acknowledge a vested interest. A few of us in this room might have a vested interest, but more than 3,500 people work in this building. How dare we set such a poor example on work and family issues, especially given the unusual and sometimes extraordinary hours that people are expected to work in this place.

I am sorry that I will not get to see either the construction of this childcare centre or it operating, but I am really pleased for not only the people who will come after us but also the many media, library staff, general staff and the many people who work in this place. I hope that they will use it. I hope it will expand not only in terms of numbers but also in age range. Again, I want to put on the record how impressed I have been by the work of Senator Trish Crossin and many others over many years in bringing this matter to fruition.

Question agreed to.

**AUSTRALIAN ENERGY MARKET AMENDMENT (MINOR AMENDMENTS) BILL 2008**

**First Reading**

Bill received from the House of Representatives.

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.53 pm)—I move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

**Second Reading**

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.53 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

Under the oversight of the Ministerial Council on Energy, Australia has made substantial progress towards an efficient and effective national energy market over recent years. The Government looks forward to strengthening the energy reform program under the Ministerial Council and delivering the productivity gains available from reform to the Australian economy.

The Bill I am introducing today will make minor amendments to Commonwealth legislation that underpins the national regime for the regulation of gas pipeline infrastructure. The efficient regulation of gas infrastructure is a crucial step in the transition to a low carbon economy.

MCE’s cooperative legislative regime will apply the National Gas Law and National Gas Rules in all participating jurisdictions to create a harmonised national gas access regime.

This cooperative regime involves the enactment of lead legislation in the South Australian Parliament, and the enactment of “application legislation” in all other participating jurisdictions (with the exception of Western Australia). Western Australia will pass complementary legislation to give effect to the National Gas Law, rather than applying the National Gas Law established by South
Australian law as in force from time to time. The legislation will replace the current cooperative Gas Pipelines Access Law and provide crucial incentives for investment in gas pipelines.

The South Australian Parliament will be asked to enact the lead legislation for the regime, the National Gas (South Australia) Act 2008, in the first half of this year. The National Gas Law will be the Schedule to that Act.

The Commonwealth has already enacted its application legislation in the form of the Australian Energy Market Act 2004. This Act was amended in 2007 to apply the National Gas Law in the Commonwealth’s offshore jurisdiction. However, the South Australian lead legislation implementing the National Gas Law and Western Australian complementary legislation will be passed in 2008 rather than 2007. This delay has allowed the inclusion of a gas market Bulletin Board in the regime to increase transparency in our gas markets.

Similarly, the Commonwealth amended the Trade Practices Act 1974 in 2007 to empower several Commonwealth bodies (the Australian Energy Regulator, National Competition Council and Australian Competition Tribunal) to perform key functions under the gas access regime and the Administrative Decisions (Judicial Review) Act 1977 to ensure the decisions of Commonwealth bodies under the regime are reviewable under that Act. The references in those Acts also need to be amended.

Therefore, this Bill makes minor amendments to the Australian Energy Market Act 2004, the Administrative Decisions (Judicial Review) Act 1977 and the Trade Practices Act 1974 to correct references to the South Australian lead legislation and to the Western Australia’s complementary legislation. These amendments are required to ensure that the Commonwealth’s application legislation correctly applies South Australian and Western Australian legislation in the offshore area, and correctly empowers the Commonwealth bodies under the regime.

In summary, the amendments I am introducing today are minor technical amendments to further the smooth implementation of the cooperative energy reform agenda. This Bill has the full support of my State and Territory colleagues on the Ministerial Council on Energy.

I commend this Bill to the Senate.

Debate (on motion by Senator Conroy) adjourned.

COMMITTEES
Economics Committee
Report

Senator O’BRIEN (Tasmania) (3.54 pm)—On behalf of Senator Hurley, I present an interim report of the Senate Standing Committee on Economics on Australia’s space science and industry sector.

Ordered that the report be printed.

Senator O’BRIEN—by leave—I move:
That the Senate take note of the report.

Senator STOTT DESPOJA (South Australia) (3.54 pm)—I am sure that colleagues also wish to contribute to the discussion on the Senate Standing Committee on Economics preliminary report entitled Australia’s space science and industry sector. As senators may know, the Senate inquiry was an initiative of the Australian Democrats, and we are very proud of the fact that the Democrats sought to have an inquiry into Australia’s space science and industry sector. I am pleased to see that the motion received cross-party support and, indeed, cross-party sponsorship from Senator Hurley and also Senator Grant Chapman, also from South Australia—I see he is entering the chamber—who has a keen interest in these issues.

I am really happy to speak to this interim report because not only have the Democrats played a role in this issue but sometimes in this place, as many of us would know, we have the opportunity to effect some real change. I think there is great potential for this interim report—I acknowledge there is another one to come—to be such an example.

I know some in this place and in the wider community question the value of space science and industry and maybe see it as, if you
like, an extravagance that has little bearing on day-to-day lives. Indeed, something that I have been confronted by in my own office and in my own party room is that there appears to be a certain giggle factor associated with space activity. Some people do not take it as seriously as we would like. In fact, I actually asked a number of witnesses in the inquiry, ‘Why is there a giggle factor with space?’ Apparently, it is still considered perhaps a little nerdy, a little funny and, at worst, perhaps a little extravagant. However, I find it a bit sad, because I do not want us to be this cynical.

I want to respond by putting on record two points particularly on the so-called giggle factor. The first point is that the evidence collected for this inquiry highlighted just how fundamental space science and industry are for our modern way of life. For example, satellite communications, imaging and positioning systems are now deeply ingrained in our economy. Measuring their true value is very difficult, but these technologies have generated significant improvements in areas such as transport, logistics, agriculture and environmental management. I think we tend to take, too quickly, some of those new technologies for granted.

The second point I would like to make about the corrosive effect of such cynicism is that if we are going to look at every activity that we do with only short-term pragmatism in mind then I think we will potentially lose one of the most exciting qualities about being human: that desire to explore, to question, to push the boundaries.

It would be a sad state of affairs if policy were wholly and solely focused on the here and now and on only those issues and projects that can be shown to have an immediate effect and a direct pay-off. We are only where we are now because others in the past did not follow that well-trodden path. Unfortunately, however, indifference towards space science and industry sectors has prevailed in our country for a long time.

I do not know whether or not colleagues are aware of this, but our country in fact is essentially unique among wealthy, developed nations in relation to the limited effort and money that we put into space science and industry. Other developed nations, and in many cases some developing ones, have a specific national space strategy and space policy and/or formally contribute to supranational approaches such as the European Space Agency.

One of the recurring themes of this inquiry to date has been the inspirational power of space science and industry. Many academics and school teachers claim that space science gets students fascinated in science and engineering generally. They are drawn to the big science: the possibilities of working on something that is on the frontier of what we know and what we can do. And, while it is not a reason in itself to have a space effort, it is a very valuable spin-off benefit, particularly when we have a shortage of scientists, engineers and mathematicians in this country. Without a space effort of any profile, this potential benefit is lost to us. Even despite the previous government’s lack of interest in space activity, in part, reflected by the evidence given by some government departments, this inquiry has turned up some areas of real Australian expertise. Some examples are the hypersonic scramjet engines under development in Queensland and the plasma and ion thrusters being tested at the Australian National University. This is world-leading, cutting-edge research and it was all done, at least to begin with, on a shoestring budget. It makes you wonder what our science and industry could achieve if the so-called indifference of our government were to be overcome.
In the end, the level of interest in this inquiry has actually justified its establishment. The committee received 80 submissions from a range of private citizens, government agencies, researchers, academics and companies both large and small. We had two well-attended hearings, one in Parliament House and one in South Australia, including—and I think this was a highlight for all of us—the evidence provided by astronaut Dr Andy Thomas, who gave evidence early in the morning but stayed for the rest of the day. This is an issue that he is obviously professionally excited about and committed to not just through his work in NASA and around the world but also because he cares about his home state and his home nation when it comes to these activities.

I was really thrilled to see the level of interest from colleagues—and some of them are in the chamber today—Senators Hurley, Chapman, Bushby, Eggleston and Webber and a number of colleagues who I think have all found this an interesting topic to pursue. Of course, I again thank my co-sponsors, Senators Hurley and Chapman, who helped get this inquiry underway. I think it is great that this inquiry has come about and that it was brought about in a cross-party fashion. Space science and industry is rarely a topical issue, and without the support of the Senate—and I acknowledge the involvement of Minister Carr, with whom I discussed this idea quite early this year—it is difficult to see how it would have been advanced.

Hopefully the findings of this interim report and the final report due later this year will be considered by the government and by the expert panel for the national innovation review. If this inquiry serves to kickstart renewed Australian involvement in big, inspirational space science and industry then, the doubters aside, I think the Senate committee can be very proud of its role.

Senator CHAPMAN (South Australia) (4.01 pm)—I take great pleasure in speaking to this interim report, Australia’s space science and industry sector, of the Senate Standing Committee on Economics. As many senators will be aware, this is a topic which I have promoted before not only the Senate but also in public debate.

The economics committee will be issuing its final report in October, when I regret I will no longer be a member of this place. In fact, I only have a few more days to go until 30 June. The interim report seeks to frame some key questions and summarise the views on them contained in over 50 submissions received so far. It also draws on the hearings of the committee, held in Canberra and Adelaide. As the interim report notes, Australia was the fourth nation to launch its own satellite—many, many years ago, back in the 1950s—and the big dish at Parkes played a crucial role in the American Apollo missions.

While we still play an important supporting role, such as receiving data from the Phoenix Mars Lander, we can no longer claim to be a leader in space science. Indeed, we are one of the few rich, medium-sized economies that do not have a dedicated space agency or a specific space policy. The interim report describes how the Australian Government Space Forum brings together various parts of government engaged in space related activities twice a year. But the forum falls well short of a coordination role even within government let alone among the broader community.

In 2005, I put together a space policy advisory group made up of industry, academic and other experts in space from right across Australia to assist me in preparing a report, which I subsequently called Space: a priority for Australia. It argued the case for a dedicated space policy for Australia, and I com-
mand that report to those with an interest in the field.

Unfortunately, successive Australian governments have not recognised space as a priority. I look to this committee’s report to put these issues more prominently on the public agenda. I am pleased that the Australian Academy of Science is in the process of producing its own decadal plan, and a number of submissions to the inquiry commended that. I have spent some time working in relation to space policy issues, including meeting in the United States with experts at Cape Kennedy and with Dr Andy Thomas, of South Australian origin, at Houston, and also engaging with the space industry in the United Kingdom, which reinforced and highlighted the importance of Australia developing a space policy.

The committee heard claims that the Australian Research Council is not very supportive of space science and looks forward to testing these claims with the council at its future hearings. With no coordinating body, space research is spread around a number of Australian universities. It is possible it would be more effective to concentrate it in a smaller number of centres of excellence, which could form the basis of industry clusters.

There were varying views put to the committee about what role Australia could reasonably take in launching rockets or designing and building propulsion systems for them. But there was no doubt that Australia will depend on satellite data for an increasing range of vital economic activity. This ranged from monitoring short-range fluctuations in weather to the long-run dynamics of climate change. Remote sensing can be of great use in mineral prospecting. Once mining operations commence, it may soon be commonplace for them to be controlled remotely from city offices. There is similar scope for farming equipment such as harvesters to be controlled remotely or operators to be assisted through satellite information. There is also potential for remote farms to control stock movements with virtual fences: collars fitted to the animals deterring them from straying. Satellites can track the movement of goods and so lower inventory costs. They are also used to synchronise the time stamping of financial transactions. Finally, and probably most importantly of all, Australia’s national security depends on being able to monitor our borders and beyond for information obtained from satellites.

It is this increasing dependence on the use of satellite data that raises the strategic concern that Australia does not own or control any satellites. We are essentially reliant on the goodwill of other countries, which we cannot guarantee will always be on offer. Of course, there is no indication that this will change today or tomorrow. But, if global circumstances change, it will then be too late to wish we had our own national source of satellite data. Even without any crisis, it would be helpful if we could have more influence so that satellites reflected our priorities.

At its Adelaide hearing, the committee was honoured to have as a witness Dr Andy Thomas, the Australian astronaut. He has not only the right stuff but the right vision. He told the committee:

There is no doubt in my mind that a robust national space project is unmatched in its ability to inspire the next generation and motivate youth to seek higher education ... after my first flight into space, enrolments in engineering where I studied skyrocketed, ...

Like Dr Thomas, I want Australians to be inspired to take more interest in space. I also want them to secure access to the space data on which Australia increasingly depends. Therefore, as a retired senator involved in other things but certainly still maintaining
my interest in the space industry and its future, I will look forward to reading the committee’s conclusions and recommendations on these issues in its final report, due to be tabled in this place in October.

Senator HURLEY (South Australia) (4.07 pm)—The inquiry by the Senate Standing Committee on Economics into Australia’s space science and industry sector has been extremely interesting so far. For me the key question is whether we need to give particular importance to the space area. There are a number of disciplines involved, including physics, mathematics and engineering, that do a range of research in a range of areas. The question is whether those working under the space science umbrella deserve any particular attention and assistance from the government. Why should it be that people in these areas deserve particular attention, rather than physicists, mathematicians or engineers working in a whole range of other areas that are looking for grants in research, technology or other areas? So far in our inquiry we have received answers from a number of sources, and I think Senator Stott Despoja and Senator Chapman have outlined a number of these and the issues particularly well. Key among them so far, in my mind, are the ability to attract more people into science areas and to build upon the past achievements that Australia has had in the space science area. These have been very significant, and it would be a shame to lose the range of expertise that we have built up in Australia.

Particularly exciting to me is the ability to do all kinds of remote sensing, which is obviously very useful to us in South Australia. Given the extent of our Southern Hemisphere land mass, we do have quite an ability to view satellites over a long period of time. That is particularly useful for us because if we can see satellites it means we can have a constant image coming down. Also, the ability for remote sensing in areas such as mining and agriculture is very real for us in Australia. The other area that interests me is the ability to monitor climate change and other changes in global patterns. It was hard, seeing the passion and dedication of the scientists in that area, not to feel a similar response while hearing about the possibilities in the space science area and I do indeed look forward to hearing the remainder of the evidence.

I would like to also say that we will sorely miss the contributions of Senators Chapman and Stott Despoja. They have obviously had a passion for space science for a long time, they are very knowledgeable about the area and they have been able to point the committee in a number of very useful directions. We will sorely miss their input, and I hope that the committee will produce a report that is worthy of their long-term interest in this area.

Question agreed to.

RESERVE BANK AMENDMENT (ENHANCED INDEPENDENCE) BILL 2008
Second Reading

Debate resumed.

Senator BUSHBY (Tasmania) (4.11 pm)—Prior to the intervention of question time, I was speaking about how the Reserve Bank Amendment (Enhanced Independence) Bill 2008 will produce the result of two dismissal procedures with absurd results, the first being as to parliament, for the factual determination of incapacity, paid employment or bankruptcy, and the second as to the Governor-General, for the more controversial determination of misbehaviour. I was also comparing this with the Reserve Bank Act as it currently stands, which reads that a Treasurer must terminate the appointment of a governor or a deputy governor on three factual grounds. The bill takes this and
makes it an optional decision for the parliament. As I mentioned prior to the intervention of question time, this means that the parliament might decide to let a bankrupt governor continue in office or it might decide to let a governor who was permanently incapacitated continue in office or it might even decide to let a governor who was working on the side continue in office. This could very well be the result of the present bill, a bill that has been rushed forward without due consideration and is designed to meet a political need, a bill that could produce a number of perverse outcomes, such as allowing a bankrupt to continue in office as governor of the Reserve Bank, and a bill that would leave unclear the method of dismissing a misbehaving governor.

Australians deserve better from their government. This bill is a symbolic sham. Accordingly, I indicate that I will be supporting the amendments to the bill to be moved by Senator Coonan. One of the results of these opposition amendments would be to require that the governor testify before the particular House of Representatives committee four times a year. This is an important reform. Transparency, accountability and independence are closely allied. At present the governor meets informally with the parliamentary committee twice a year, but he could choose not to. The coalition’s amendments would mandate the governor’s appearance four times a year, for the Reserve Bank is accountable to parliament and, through it, to the people of Australia for the administration of its monetary policy role. This frequency would be closer to world practice. For example, the Chairman of the US Federal Reserve testified to Congress seven times last year. The Governor of the Bank of England typically testifies before parliament three or four times a year, and the President of the European Central Bank appears five times a year before the European Parliament. So the coalition’s amendments are an important advance in the accountability and independence of the Reserve Bank. The amendments would reverse the very perverse outcomes that could possibly arise out of the bill in terms of the potential need to terminate the appointment of a member of the Reserve Bank board and would work to add to the already substantial independence of the board. The bill as it stands serves only to highlight a government in disarray, a government that is prepared to rush ill thought out legislation into parliament and to stand by it despite its obvious deficiencies, all to avoid exposing the fact that the whole thing is a public relations stunt.

Senator FIFIELD (Victoria) (4.14 pm)—I also rise to speak on the Reserve Bank Amendment (Enhanced Independence) Bill 2008. The bill seeks to amend the Reserve Bank Act 1959 to allow the Governor-General in Council rather than the Treasurer to appoint or suspend the Governor and Deputy Governor of the Reserve Bank. The bill also allows the Governor-General, on motion of both houses of parliament, to terminate the governor or deputy governor on certain grounds rather than the Treasurer. This would indeed mark a shift away from the arrangements introduced by the coalition—with Labor support, I should add—through the Financial Sector Legislation Amendment Act (No. 1) 2002. That legislation amended the Reserve Bank Act 1959 to grant the Treasurer the power to appoint and terminate officers and board members, and was designed to streamline the employment process.

Currently, the Treasurer is obliged to terminate the appointments of either the governor or the deputy governor if they are permanently incapable of performing their duties, engage in any outside paid employment or become bankrupt. This bill proposes that, before a governor or a deputy governor could
be sacked on these grounds, there would first need to be a motion carried by both houses of parliament calling on the Governor-General to do so. The current legislation’s section 25 uses the word ‘shall’—that is, the Treasurer must terminate the appointment of the governor or deputy governor if they meet any of the three criteria. It is mandatory.

The bill before the Senate makes termination on these grounds optional in two ways: firstly, the parliament must agree to termination, then the Governor-General in Council must agree to execute the termination. Additionally, the bill is drafted in such a way that a mechanism for termination on the grounds of poor behaviour is not present—that is, if a governor or deputy governor behaves dishonestly or in a way that seriously undermines public confidence, neither the government nor the parliament has any capacity to remove them. Clearly, this is a flawed bill.

At its core, the bill removes the responsibility for dealing with these important matters from the Treasurer and hands them to the parliament. I can understand why you would want to remove responsibility from this Treasurer. When you have a Treasurer who is struggling as much as Mr Swan, no doubt you might want to relieve him of some of his responsibilities. But the solution is not to go introducing poorly conceived amendments to legislation dealing with the Reserve Bank; the solution is to relieve Mr Swan of all of his responsibilities, put him out of his misery and try Mr Tanner, Mr Bowen or Ms Gillard. They are all ready, willing and able.

Why is the government abrogating its responsibilities? Why is the government touting another bill that places form over function? Why is the government seeking to take executive responsibilities away from the Treasurer? If you listen to Labor’s reasons for introducing this bill, they are dressing it up as reinforcing RBA independence. The notion is in the bill’s title. We on this side of the chamber welcome Labor’s new-found commitment to the independence of the Reserve Bank—the reason being: it was not always so. In 1996, it was the coalition that enacted its commitment to enshrining the independence of the Reserve Bank through exchange of letters between the governor and the Treasurer. It was a landmark moment in the history of financial markets in this country. We well remember Labor’s reaction. The then shadow Treasurer, Mr Evans, said that what the then government was doing was illegal, and he threatened to sue in the courts to endeavour to have it struck down. Kim Beazley, then Leader of the Opposition, put out a press release on 13 August 1996 headed, ‘Labor to seek legal advice on Costello bank letter plan’—no support there for the independence of the Reserve Bank. That release that I referred to said they would:

... be seeking further legal opinion on the legality of the Costello proposal, and the option of the Federal Opposition going to the High Court ...

So opposed to genuine RBA independence was the then opposition that they were proposing taking those letters to the High Court—something extraordinary.

As has been made reference to by earlier speakers, who can forget Mr Keating’s attitude to the independence of the Reserve Bank when he boasted that he had them in his pocket? That statement was the single greatest blow to the Reserve Bank’s independence up to that time. The former governor, Bernie Fraser, said of Mr Keating’s pocket jibe:

... it certainly did nothing to enhance the Bank’s standing in financial centres around the world.

So that is the history and extent of Labor’s support for an independent Reserve Bank. Now flash forward to 2002 when the coalition introduced—with support from the La-
bor, I should add—the Financial Sector Legislation Amendment Act (No. 1) 2002. That act enshrined both the independence of the Reserve Bank and the accountability of the Treasurer. It ensured that the Treasurer had the responsibility for hiring and firing the Reserve Bank office holders. It was sensible legislation, because it streamlined the appointment process.

So here we are today with Labor apparently in favour of an enhanced independence for the Reserve Bank. Yet, even with this apparent change of heart, their bill does nothing to make the Reserve Bank more independent. You cannot achieve this simply by putting the words ‘enhanced independence’ into the title of a bill, like you cannot bring interest rates down by signing a giant cardboard pledge. Labor have not made the case for this legislation. The bank has been independent for nearly 12 years now and has served Australia well. So the real reason for this legislation is clear: it is, not surprisingly, a stunt—a stunt from a government to try and demonstrate that they have genuine credibility as economic conservatives.

I wonder if Labor has considered some questions. Would an economic conservative abolish a streamlined process and replace it with a lengthy procedure requiring a debate and vote of both houses of parliament? No. Would an economic conservative leave open the possibility that a governor or deputy governor misbehaving could not be sacked? No. Would an economic conservative make it possible for a bankrupt to be in charge of the Reserve Bank of Australia, for any period of time? No. Would an economic conservative elevate political stunts over responsible economic management? No, of course they would not, because an economic conservative would be concerning themselves with good policy. An economic conservative is interested in tangible results, not stunts, not headlines.

This is a bill that allows the Treasurer to shirk his responsibilities. It will relieve the Treasurer of his accountability, something Mr Swan, despite his government’s rhetoric, no doubt considers a burden. We all know what the political reasons for this bill are, but what exactly is the substantial point in this legislation? Could any Treasurer get away with sacking independent Reserve Bank governors and deputy governors on a whim? I do not think so. It would be a decision with enormous ramifications, both economic and political. If an RBA governor is acting so improperly that a sacking is required then why can the issue not be dealt with swiftly by a Treasurer?

Financial markets are fluid beasts. They react quickly to events, and impacts on markets are felt almost immediately all around the world. When events unfold that impact on financial markets, governments need to be able to react quickly. We need not leave ourselves open, as this bill would, to the enormous risks associated with having uncertain financial markets await the outcome of a potentially lengthy parliamentary debate on the future of an RBA governor. Any delay in a sacking could create huge threats to the stability and certainty of Australian markets—to say nothing of the impact on financial markets of an RBA governor misbehaving, with the government and the parliament powerless to do anything about it. Imagine the consequences if a Treasurer or a government loses confidence in an RBA governor but is unable to secure the support of parliament to dismiss, or, worse still perhaps, if the parliament refused to carry a motion to dismiss a bankrupt governor or a governor who is incapacitated. And the parliament cannot even consider a motion to dismiss on the grounds of misbehaviour; it can only consider dismissal on the grounds of incapacity, insolvency or outside employment. What about inappropriate behaviour, incompe-
tence, mismanagement or other possible misdemeanours? Surely, such things remain grounds for dismissal?

Let us be absolutely clear. Not only does this bill strip power from the Treasurer to act in these, albeit, unlikely scenarios but the bill also leaves the parliament completely powerless to act. To this end, the coalition proposes that the existing section 25 of the act be maintained. This section ensures that termination on the grounds set out in that section remains mandatory and is to be performed by the Treasurer, who is empowered to act in a timely manner.

The coalition also proposes an additional accountability and transparency mechanism for the RBA governor, requiring him or her to appear before the House of Representatives Standing Committee on Economics at least four times a year. If the Rudd government are serious about its pledge to be more open and accountable, they will support this amendment. If not, they stand exposed as cryers of hollow rhetoric.

The coalition is also proposing a new section 25AA which would provide for parliamentary approval for dismissal of the RBA governor or deputy governor on the grounds of misbehaviour. This amendment would bring the RBA arrangements into line with those that apply to judges, the Australian Statistician, the Commissioner of Taxation and Second Commissioner of Taxation, the Auditor-General and the Australian Ombudsman. These amendments achieve the stated intent of the government to align the statutory independence of the RBA governor and deputy governor with that of the Australian Statistician and Commissioner of Taxation.

Governments must have some degree of flexibility to deal with circumstances as they arise. Yet this bill strips the Treasurer of the power to act in circumstances that, although very unlikely to present themselves, would require swift and decisive action. This bill says the Treasurer is not fit to do his job. On that issue, the coalition, and many Australians, would wholeheartedly agree. But that problem does not need legislation; it needs for Wayne Swan to be sent to a different role.

This bill is rushed, ill-founded and fundamentally flawed. It has the potential to cause havoc in financial markets by creating the possible scenario of a powerless Treasurer and a paralysed parliament unable to deal with a problem that would need to be dealt with quickly. We must not take these risks.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.27 pm)—Family First agrees that the Reserve Bank needs to be independent, and enhancing independence makes sense as long as the detail backs that up. The issue for Family First is that you need independence but you also need accountability. We need to make sure that the accountability is not only to the government of the day but also to the parliament. If you look at the second reading speech of the Treasurer, Mr Swan, it says:

Inflation pushes up interest rates, eats away at family budgets, and threatens future prosperity—that is why the government is so determined to deal with it.

This is in regard to the Reserve Bank Amendment (Enhanced Independence) Bill 2008. This is something that affects every Australian through interest rates and therefore we need to make sure that we not only have independence but back that up with accountability. The coalition has moved to have some accountability with the Reserve Bank governor appearing before the House of Representatives Standing Committee on Economics. The coalition abused the Senate for three years and now they are ignoring it.
So Family First will be moving an amendment to the coalition’s amendment to make sure that the governor makes himself or herself available to give evidence before the Senate Standing Committee on Economics and the House of Representatives Standing Committee on Economics. This will ensure that we have full accountability to parliament, and the house of review can also make sure that the government of the day does not ignore warnings from the Reserve Bank—the Labor government has been saying that the government of the day ignored warnings from the Reserve Bank about inflation. Making the Reserve Bank accountable to the Senate, which has not got the control of the government of the day and has not got the control of the coalition, would make it even more accountable to the Australian people and to the Australian parliament. So Family First will be moving an amendment to the coalition’s amendment to make sure that the Reserve Bank Governor must make himself or herself available to give evidence before the Senate as well as the House of Representatives.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (4.30 pm)—I would like to thank those senators who have taken part in the debate on the Reserve Bank Amendment (Enhanced Independence) Bill 2008. The measures contained in this bill implement the government’s election commitment to enhance the independence and transparency of the conduct of monetary policy by the Reserve Bank. This is an important component of the government’s strategy to tackle the inflation challenge and help reduce the financial pressures on working families. The independence of the Reserve Bank is crucial in enabling it to achieve its inflation target of two to three per cent over the cycle. The Reserve Bank’s independence in pursuing its inflation target is even more important at a time when the underlying inflation rate is running at a 16-year high. It is vital to the stability of the economy and the living standards of working families that inflation does not get away from us. Higher rates of inflation hurt families and businesses by pushing up interest rates, eroding the value of savings and reducing long-term economic growth.

This government is tackling the inflation problem head-on. The previous government was content to simply leave all the heavy lifting on fighting inflation to the Reserve Bank and higher interest rates. This resulted in eight rate rises in a little over three years. It has fallen to us to deal with inflation and get spending back under control so that fiscal policy is helping, not hindering, the Reserve Bank in the inflation fight. Our budget will put downward pressure on inflation by delivering a strong surplus, cutting wasteful spending and increasing the economy’s supply capacity for the future. That is why it is so important that the Senate pass the budget rather than blow a $22 billion hole in the surplus that is so vital to fighting inflation.

It is also why the Senate should pass this bill, which will strengthen the independence of the RBA. With RBA independence, you are either for it or not. Under this legislation, the positions of the governor and deputy governor will have their level of statutory independence raised to that of the Commissioner of Taxation and the Australian Statistician. As such, their appointments will be made by the Governor-General acting in council. At the moment they are simply appointed by the Treasurer. In addition, and more importantly, the termination of the governor and deputy governor may now only occur if each house of parliament in the same session of the parliament requests the Governor-General to do so. Presently, the Treasurer is able to carry out the termination of either of these positions without reference to parliament. The present situation could leave
the governor and the deputy governor in a potentially vulnerable position. Put simply, this bill vests with the Governor-General the existing powers to appoint and terminate the governor and deputy governor that currently rest with the Treasurer.

It has been suggested during the debate that under this bill the governor and deputy governor would no longer hold office subject to good behaviour through the operation of paragraph 24(1)(c). This is not the view of the office of the Australian Government Solicitor. Paragraph 24(1)(c) has always pertained to the removal of a governor and deputy governor from office by a court should they no longer be of good behaviour. This bill in no way changes the clause or its intended effect. There has also been an amendment foreshadowed that would require the governor to appear before the House economics committee four times a year. The governor and his predecessor have regularly appeared before this committee, and at only his last appearance Governor Stevens indicated:

It is really in the hands of the committee how often you want me to come.

This amendment is unnecessary and is an unfortunate effort to score a political point, when the very intent of this bill is to put the positions of governor and deputy governor above partisan politics.

The increased independence of the RBA delivered by this bill is an important component of the government’s strategy to tackle the inflation challenge and help reduce the financial pressures on working families. From day one, the government has taken responsibility for tackling the inflation challenge. This bill supports the efforts outlined in the budget to meet the inflation challenge head-on. In doing so, the government will continue to honour its commitment to help reduce financial pressure on working families, who have made the Australian economy strong. I commend this bill to the Senate.

Question agreed to.

Bill read a second time.

ELECTION COMMITMENTS

Return to Order

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (4.35 pm)—I briefly interrupt debate on this important bill to respond to an order of the Senate under standing order 164 that requires there be laid on the table no later than 5 pm today a list of commitments made by the government during the election period to provide grants for sports and recreation facilities which are being administered by the Department of Health and Ageing and the Department of Infrastructure, Transport, Regional Development and Local Government showing the recipients, locations and amounts of the grants. I table a statement to the Senate dealing with these issues.

RESERVE BANK AMENDMENT (ENHANCED INDEPENDENCE) BILL 2008

In Committee

Bill—by leave—taken as a whole.

Senator MURRAY (Western Australia) (4.36 pm)—In my speech in the second reading debate I foreshadowed my amendment on sheet 5502 and I again outlined the case for appointments being made on merit. I indicated in that speech that there was a long history of debate surrounding the issues of appointment on merit. It is particularly important with respect to the board of the Reserve Bank that merit is secured. In my additional remarks in the Senate Economics Committee report on the Reserve Bank Amendment (Enhanced Independence) Bill 2008 I indicated that the United Kingdom parliament appointed in 1995 the Nolan
committee to examine these issues. The chamber will recall that, at that time, it was a conservative government and they initiated this important accountability initiative. When that committee determined its principles, it set out a range of principles that should inform the making of appointments. Both the UK government and the UK parliament fully accepted the committee’s recommendations and the Labour government has itself advanced appointments on merits procedures even more in its own term of office. So the world has moved on overseas in this area, but we have not moved on sufficiently.

In effect, my amendment specifies a broad range of criteria that must be established by the minister. The amendment itself does not decide on what the criteria should be; it just determines a broad range of criteria. The amendment specifically says the general principles on which selections are to be made should include but not be limited to merit, independent scrutiny of appointments, probity, and openness and transparency. The purpose of putting those in is not because governments do not necessarily follow that or might not follow that, but to ensure that they do follow that, because governments and ministers change over time. That was understood in the United Kingdom and they are principles that I have sought to push in this parliament.

The other thing is to address a perceptual problem. There is a perception through the media, through the political class and in the populace at large that appointments are not always made, as they should be, on merit. This is particularly important issue with respect to the board of the Reserve Bank. That board has a really mighty responsibility and we need to be doubly careful in this area.

I have motivated these sorts of amendments at length before and I made quite lengthy remarks with respect to this amendment in my speech in the second reading debate, so I do not propose to detain the chamber any longer. I move Democrat amendment (1) on sheet 5502:

(1) Schedule 1, page 3 (after line 4), before item 1, insert:

1A After section 14

Insert:

14A Procedures for merit selection of appointments

(1) The Minister must by writing determine a code of practice for selecting and appointing the Governor, the Deputy Governor and the 6 other members as required by section 14 that sets out general principles on which the selections are to be made, including but not limited to:

(a) merit; and
(b) independent scrutiny of appointments; and
(c) probity; and
(d) openness and transparency.

(2) After determining a code of practice under subsection (1), the Minister must publish the code in the Gazette.

(3) Not later than every fifth anniversary after a code of practice has been determined, the Minister must review the code.

(4) In reviewing a code of practice, the Minister must invite the public to comment on the code.

(5) A code of practice determined under subsection (1) is a legislative instrument for the purposes of the Legislative Instruments Act 2003.

Senator COONAN (New South Wales) (4.41 pm)—I listened very carefully to Senator Murray’s earlier comments and his comments now in moving his amendment. Although it is on a slightly different point, I was reminded that at one stage, according to the announcement of the Prime Minister and Mr Swan, the government had announced
that it would make a number of changes to enhance the independence of the bank and the transparency of certain of its operations, and included in that was that the Secretary to the Treasury and the Governor of the RBA will maintain a register of eminent candidates of the highest integrity from which the Treasurer will make appointments to the board. Somehow or other that did not seem to make it into the Reserve Bank Amendment (Enhanced Independence) Bill 2008, and it is not clear that Labor has made or proposes to make any change to the status quo in that respect. In the past Treasury would, in consultation with the Reserve Bank, provide a list of possible candidates to the Treasurer, who then would make a recommendation to cabinet on possible board appointees. So we do not have a list and we do not really know what Labor proposes to do about the appointments.

But, on the broader point, I must say that, from the opposition’s perspective, we see some real merit in setting out a range of principles and criteria on which selection can be made on merit. I believe that, with regard to the independent scrutiny of appointments, its time has come. In the end, we have to give expression to all of this rhetoric: we either mean it or we do not. For those reasons, the opposition will be supporting the amendment moved by Senator Murray.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (4.43 pm)—I should indicate that I have had to speak many times in response to Senator Murray’s amendments of this ilk. I would dearly love to give you a win on one of these before you leave, Senator Murray, but I think this is probably the least appropriate of all of the processes that you could have sought to amend. We have taken this process from a Liberal Party donor list and we have turned it into a process by which a list of names is put together by a range of people who would have some understanding of the needs of the Reserve Bank board and that list is then put forward. So, out of all of the times when I know you have beaten your head against the brick wall to try to get, in your view, a merits based approach, this one is probably the unkindest because we have actually substantially improved the process. So, as much as I would love to give you one victory—and I am sure, if you get a chance, you will tell me how many times you have moved this amendment—we unfortunately will not be supporting this amendment. But I do hope that you are able to acknowledge that we have substantially improved the selection process for the Reserve Bank.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.44 pm)—Family First supports this merit selection of appointments amendment, and I think we have supported quite a few in the past from Senator Murray. It is interesting to see that I think he is going to get this one through today, if the coalition support it. There can be no harm in passing this amendment. When you think about it, it just seems to make sense that there be procedures for a merit selection of appointments. So, as we have in the past, Family First will support this amendment moved by Senator Murray.

Question agreed to.

Senator COONAN (New South Wales) (4.45 pm)—I move opposition amendment (1) on sheet 5497:

(1) Schedule 1, page 3 (after line 8), after item 2, insert:

2A After section 24B
Insert:

24C Governor and House of Representatives
The Governor must make himself or herself available to give evidence before the House of Representatives Standing Committee on Economics, or any successor committee designated for the purpose of this section by the Speaker of the House of Representatives, at times and places to be agreed with the Committee but in any case not less than four times per year if requested by the Committee.

I spoke at length in my second reading remarks about the opposition’s proposed amendments, but I will briefly recap. The amendments would insert a new section 24C to the Reserve Bank Act 1959 which would require the governor to appear before the House of Representatives Standing Committee on Economics at least four times a year. Presently, the governor generally appears before that committee twice a year, but this is optional and we think it is appropriate that it be formalised. We consider that it would increase the accountability and transparency of the Reserve Bank if the hearings were conducted four times a year in line with best practice, as we understand it, overseas. We consider that this amendment would certainly enhance the independence and accountability of the Reserve Bank.

I understand that Senator Fielding wishes to move an amendment to this amendment that would require the governor to also appear before a Senate committee. We did consider this very carefully and we came to the view that it would be just too confusing and difficult to manage if the governor were to appear in both houses. The convention has been that he has appeared before the economics committee in the House. We think that that should be formalised in the way we have proposed.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.47 pm)—I move the Family First amendment to the amendment that the coalition already has before the floor:

(1) Amendment to Opposition amendment no (1)

Omit section 24C, substitute:

24C Governor and Parliamentary Committees
The Governor must make himself or herself available to give evidence before the Senate Standing Committee on Economics and the House of Representatives Standing Committee on Economics, or any successor committee designated for the purpose of this section by the President of the Senate or the Speaker of the House of Representatives, at times and places to be agreed with the Committees but in any case not less than four times per year if requested by the Committees.

Senator MURRAY (Western Australia) (4.48 pm)—I think this is a very interesting topic and I want to take a little time to deal with it. Essentially, when statute requires people to appear before a parliamentary committee for oversight purposes, it is to make clear that there is a formal relationship between those people and the committee concerned. In law, it is unnecessary. This is the supreme body in the Constitution. No citizen, agency or person can refuse attendance before this chamber, this chamber’s committees, the joint committees or the House committees. Of course, if they do refuse attendance, those committees all have the power of subpoena. In actuality, there is no need in statute to require attendance, but for purposes of propriety, formality and clarity it is useful to ensure that individual bodies know exactly to whom they report in oversight terms.

Quite properly, previous governments have required, for instance, ASIC, to have a
formal requirement to appear before the Parliamentary Joint Committee on Corporations and Financial Services. There is a specific statutory provision with respect to the Auditor-General and the Joint Committee of Public Accounts and Audit. And then, of course, there is the House of Representatives standing committee with respect to the Reserve Bank. The precedent is properly established. But when you go down that route, you then want to be sure that, where you are determining oversight by statute, it only occurs with respect to one master. You cannot serve two masters. I understand the sentiment of Senator Fielding’s amendment, but you really should not have an oversight rule or requirement which spreads the parliamentary responsibility. It should be either the Senate committee or the House committee or a joint committee; it should not be a number of them.

Having said that, Senator Fielding, it is entirely within the power of any committee, including any Senate committee, to call the Reserve Bank governor if they wish. There is absolutely no prohibition on that and there never will be, because the Constitution of Australia gives this parliament that authority and power. So I will not be supporting Senator Fielding’s amendment, on the grounds that you should only have statutory oversight given to one parliamentary body, and the parliament as a whole—not an individual house but the parliament as a whole—have decided that the House of Representatives standing committee is the appropriate one for the Reserve Bank.

The second point that I want to make is that I do not support the coalition’s amendment. I do not support it because I do think you can meet with the Reserve Bank more than twice, as is presently provided. You can meet with them as many times as you wish. I am convinced that if the House of Representatives Standing Committee on Economics says to the Reserve Bank governor, ‘Listen, we want you to come down and chat to us,’ then he will. It would be a very odd occasion if the Reserve Bank governor were to refuse such an invitation. So I think that it is unnecessary. You can have three, four, five or six meetings if you wish, but to put into statute that it must be a minimum of four is over the top. Assume a year such as 2007 when we had an election and there were actually very few sitting weeks and so on. To have been able to meet with the Reserve Bank governor in four quarters, for instance—which is what you would assume—might have ended up being very difficult.

Again, I have absolutely no problem with the coalition wanting the House of Representatives Standing Committee on Economics to meet with the Reserve Bank governor on more occasions than it does at present. I just do not think that it should be in statute. On those grounds I must say that, whilst understanding the motivation of Senator Fielding, I think he gives too little credit to the sheer power this parliament has to call who it wants, at any time it wants, either by invitation or through subpoena. Secondly, I think that it is undesirable to have someone having to report formally through statute to multiple committees. Thirdly, I do not think that it is necessary to put a greater oversight requirement into statute than exists at present.

Senator RONALDSON (Victoria) (4.54 pm)—I do, obviously, support the amendment moved by Senator Coonan, because, with the greatest respect to Senator Murray, he is addressing the best-case scenario in relation to the Governor of the Reserve Bank. Quite frankly, I do not see that there is any harm at all in formalising an arrangement so that the governor knows exactly where the government is going. I think that there should be some formalising of this position.
Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (4.55 pm)—We will not be supporting the opposition’s original amendment or Senator Fielding’s amendments. While I genuinely believe that your amendment is made in very good faith, Senator Fielding, I take the point that Senator Murray made. On occasions I have considered requesting the Reserve Bank governor to appear before a range of Senate committees, and the indication that I have always had from his office is that he would be prepared to attend if an invitation were extended. So that is quite genuinely the case. It is not a prohibition that we cannot do that; it is just that we have not got round to doing it. I have contacted his office through the secretariat to see if he has been available, and he has always expressed a willingness to attend if the committee decided to go down that path.

I do have some difficulty coming to terms with the sudden blush of accountability discovered by the other side, though. After 11½ years they have suddenly discovered all of these new measures that they believe are important for the purposes of the independence of the Reserve Bank. They did not put them forward in government, they did not consider them in government and they were not supportive of ideas like this in government. They have run out of people on the donor list of the Liberal Party and the opportunity to reward their donors with seats on the Reserve Bank board, so now they have decided to go down a different path. It is entirely self-serving and hypocritical, and after 11½ years—

Senator Ronaldson—You should be very careful about discussions of donor lists.

Senator CONROY—Senator Ronaldson, I am prepared to defend you; I have said that before. I know you personally have not been involved in that blog site because you cannot use your computer. But your staff, apparently, have been a little bit naughty! You need to take on a little bit more supervision in your own office.

Senator Ronaldson—Point of order, Madam Temporary Chairman. I think that is a particularly cowardly reflection on my staff and I think that the Senator should withdraw it. He knows that is not the situation. It is cowardly and it should be withdrawn immediately. I do not mind engaging in banter across the table, but I think to mention staff is absolutely appalling and I am bitterly disappointed in Senator Conroy.

The TEMPORARY CHAIRMAN (Senator Kirk)—There is no point of order.

Senator CONROY—I was not seeking to offend, Senator Ronaldson. Even though I am not required to, because what I said was not unparliamentary, I accept your admonishment, Senator Ronaldson, and I withdraw the aspersions that Tony Nutt is tossing around.

As I was saying, after 11½ years of stonewalling, of refusing point blank to any degree of accountability, the Labor Party comes forward with a package for enhanced independence and the Liberal Party decides that they want to take a couple of cheap political shots and put forward an amendment. As I said, Senator Fielding, I absolutely accept that you have had a consistent position on this, just as you and Senator Murray have had a consistent position of merit based appointments, for instance. But those opposite voted down Senator Murray on each and every occasion that he put that forward. We at least had the gumption to stand up and say no. Senator Murray was keeping his list of best refusals over many years, but if those opposite choose to vote for this, as you thought that they might, it would truly go down as one of the most hypocritical acts
seen in this chamber in some years, because each and every time in the past it has been voted down. We will maintain our consistent position, which is that we will not support the proposition put forward. But if those opposite have suddenly discovered a new policy vision in the direction that they are going, then they will stand judged by the Australian public for being the hypocrites that they are.

Senator COONAN (New South Wales) (4.59 pm)—I do not think this particular amendment is of such far-reaching significance that it deserves to take up so much time. I think it is important that the governor’s appearances before the House committee are formalised, for the reasons I have given. But it is a little bit rich for the minister to come in here and talk about people changing positions. When you actually look at Labor’s record when it comes to Reserve Bank independence, you see there has been a road to Damascus conversion. Labor’s record on this issue is distinctly lacking. When they were last in government, so far as I recall and my research shows, they made absolutely no attempt to make the Reserve Bank independent. Famously, former Prime Minister Keating boasted that the Reserve Bank would do as he said. It took the foresight, hard work and economic competence of the coalition, under the leadership of the member for Higgins, the then Treasurer, to issue a statement of monetary policy—as I think all of us think there should be—which clarified the bank’s role and the government’s commitment to respecting its independence.

In an extraordinary move, the then Leader of the Opposition, Mr Beazley, actually sought legal advice, because Labor did not support the reforms. Labor did not support the independence of the Reserve Bank. In 1996 they did not support an independent Reserve Bank, but by 2002 they had apparently changed their minds. The Prime Minister and Treasurer both supported the Financial Sector Legislation Amendment Act (No. 1) 2002, which amended the Reserve Bank Act so that the Treasurer appointed officers and board members, to streamline the appointment and termination processes. It is really only now that they want to undo the 2002 legislation and go back to the old system of the Governor-General making appointments. This is against statements they made in 2002. Back then they were supporting a streamlined appointments and removals process; now they want to turn back the clock. At the same time, they have told the media that this is the beginning of a new era of independence. Quite clearly, either the government are confused or they do not recall where they have come from in this debate.

It is important that we look at these amendments on their merits. There is a very clear argument, in the opposition’s view, for formalising the governor’s attendance at hearings of the House committee. It is quite true, as Senator Murray said, that this can be ad hoc and largely optional but not refused. But we think that formalising it, consistent with overseas practice, will be a constructive additional amendment to this bill.

Senator FIELDING (Victoria—Leader of the Family First Party) (5.03 pm)—This is important. The coalition is putting forward the House of Representatives Standing Committee on Economics and saying that the Senate has no role to play. Senator Murray’s comments notwithstanding, there needs to be the political will to actually ask the Reserve Bank to the committee. You need the numbers in the committee for the Reserve Bank to be requested to appear before the Senate standing committee. The reason it has not appeared for some time is that there has not been that political will.

If it is fair enough to say in legislation that we want the Reserve Bank to appear before
the House of Representatives Standing Committee on Economics, surely it is fair enough to put in legislation that it should also appear before the Senate Standing Committee on Economics. The whole idea of the Senate was to hold the executive to some account. The House of Representatives is, of course, dominated by the government of the day. The Senate really is where you should be looking at what the Reserve Bank is doing on a quarterly basis and holding it accountable for decisions it makes that affect everybody in Australia. If you are going to argue for the Reserve Bank to appear before the House of Representatives, surely it should also appear before the Senate. Notwithstanding what Senator Murray said—that you can ask for it to appear—you need the political will of the committee to ask for it to appear, and that has not been the case for some time. So let’s get it clear. Let’s make sure the Senate has the teeth it is supposed to have and put it into legislation right here and now. You cannot argue that you want this for the House of Representatives and not for the Senate. This is the red carpet here, not the blooming green carpet. I have all respect for the other house, but we should also be having the Reserve Bank appear before the Senate. I appeal to the coalition to support this amendment to have the Reserve Bank appear before both chambers.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (5.05 pm)—To follow up the comments from Senator Fielding, can I say to him that at the times when I was interested in pursuing an appearance of the Reserve Bank governor—notwithstanding that I spent 11½ years without the numbers on any committee—the committee never indicated that it would not be prepared to call the Reserve Bank governor. It was not a question of political will. It was not blocked by the incumbent government. I say that quite genuinely. It was more a question of whether or not I had decided I wanted to pursue the line of questioning with the Reserve Bank. I never found that the government of the day used the numbers to block an appearance. So, while I appreciate that you are genuinely addressing an anomaly created by a political stunt on the other side and that you are putting forward a consistent approach—whereas they are just putting forward a stunt—I would say to you that the Reserve Bank governor’s appearances were not blocked by a majority on the committee. I think Senator Murray has been on those committees for as long if not longer than me and, if it is political will, it is a question of asking.

Senator Murray—You can record that I am agreeing with you.

Senator FIELDING (Victoria—Leader of the Family First Party) (5.07 pm)—If the coalition does not vote for Family First’s amendment for the governor to appear in front of the economics committee then I really look forward to the Senate Standing Committee on Economics listening to a participating member. When that request goes through, I hope that both the government and the opposition will support that request. I still appeal to the coalition to support this amendment—to formalise it, in a way—but I look forward to support from both sides of the Senate when Family First puts that request in for the Reserve Bank Governor to appear before the Senate Standing Committee on Economics.

The TEMPORARY CHAIRMAN (Senator Bartlett)—The question is that Family First amendment (1) on sheet 5504 be agreed to.

Question negatived.

Original question agreed to.
CHAMBER

Senator COONAN (New South Wales) (5.08 pm)—I move opposition amendment (2) on sheet 5497:
(2) Schedule 1, item 3, page 3 (line 9) to page 4 (line 28), omit the item, substitute:

3 After section 25

Insert:

25AA Termination of appointment as Governor or Deputy Governor

Termination at request of Parliament

(1) The Governor-General may terminate the appointment of the Governor or the Deputy Governor if each House of the Parliament, in the same session of the Parliament, presents an address to the Governor-General praying for the termination of the appointment on the ground of misbehaviour.

Suspension by Treasurer

(2) The Treasurer may suspend the Governor or the Deputy Governor from office on the ground of misbehaviour.

(3) The Treasurer must cause to be laid before each House of the Parliament, within 7 sitting days of that House after the suspension, a statement identifying the office holder suspended.

(4) A House of the Parliament may, within 15 sitting days of that House after the day on which the statement is laid before it, declare by resolution that the appointment of the office holder identified in the statement should be terminated.

(5) If a resolution is passed by each House of the Parliament in accordance with subsection (4) in the same session of the Parliament, the Governor-General may terminate the appointment to which the resolution relates.

(6) If a resolution is not passed by each House of the Parliament in accordance with subsection (4) in the same session of the Parliament, the suspension of the office holder identified in the statement terminates on the day after the last day that such a resolution could have been passed.

Suspension does not affect entitlements

(7) The suspension of the Governor or the Deputy Governor from office under this section does not affect any entitlement of the Governor or the Deputy Governor to be paid remuneration and allowances.

Ground for termination

(8) The appointment of the Governor or the Deputy Governor may not be terminated on the ground of misbehaviour except as provided by this section.

This amendment has the effect of leaving section 25 of the Reserve Bank Act 1959 extant. That is, it will remain mandatory for the Treasurer to terminate the appointment of the governor or deputy governor on the essentially objective grounds of permanent incapacity, paid employment outside the Reserve Bank and bankruptcy.

In second reading comments, a lot of senators talked quite extensively about easily ascertainable objective grounds that should be immediate and quick. However, the amendment inserts a new section 25AA to the Reserve Bank Act 1959 which provides for parliamentary approval for the termination of the Governor or Deputy Governor of the Reserve Bank on the ground of misbehaviour. As I said in my earlier comments, these clauses have been essentially modelled on those applying to judges and other well-known statutory officers, so they align with other statutory officers. Thankfully, in Australia we have been very well served by our governors of the Reserve Bank, so this is recognition that the grounds of misbehaviour—should they ever arise—require different treatment, in our view. It is sensible and timely to separate out the objective grounds from the ground of misbehaviour that, I think, is in a different category. I commend the amendment.
Senator MURRAY (Western Australia) (5.10 pm)—For the record, the Australian Democrats support the Liberal amendment.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (5.10 pm)—We will not be supporting the amendment.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (5.11 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

INDIGENOUS AFFAIRS 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 BERNARDI (South Australia) (5.12 pm)—I do not intend to detain the Senate for long. I know there are a number of people who would like to speak to the Indigenous Affairs Legislation Amendment Bill 2008, and these people have a number of personal experiences and I am sure they would like to relay them with regard to the implications of this bill on the Northern Territory. There has been some anxiousness about this bill within the coalition, hence the slight delay in it being introduced into the Senate. I am pleased to say that the coalition has received a number of assurances that have sought to allay some of our concerns.

The substantive aspects of this bill are threefold: firstly the flexibility in the leasing arrangements operating within Aboriginal townships; secondly, some technical amendments to the Northern Territory emergency response and; thirdly, the passage into law of a tripartite agreement between the Northern Territory government, the Commonwealth and the Indigenous landowners about the passage of title of 13 national parks.

I will confine my comments to schedules 1 and 3 of the bill, which concern the flexibility in township leasing arrangements. For a long time the coalition have supported the idea that Aboriginal land should be not just a spiritual asset to the Aboriginal people but also an economic asset. As part of last year’s Northern Territory emergency response, we introduced a 99-year lease for Aboriginal townships. It was a form of homeownership. It was a good measure then and it remains a good measure. This bill seeks to change some of the provisions within that by offering a little bit more flexibility—namely, that these leases can be from 40 to 99 years. Whilst it is the coalition’s position that we think longer is better in regard to these leasing arrangements, we accept the fact that some flexibility is needed, so we will be supporting it.

It would be remiss of me not to make a few comments about the importance of the introduction of the Northern Territory emergency response last year. I believe very strongly, and I know that many people share my view, that we needed to take a very strong line with regard to protecting children and ensuring the functionality of Indigenous communities. This was shared by the now government when in opposition. We are all working as hard as we can towards the end goal: to close the gap in life expectancy, to give Indigenous children every opportunity and hope for the future, to protect their well-being and to ensure they have educational and health opportunities open to them. So we look at the introduction of these sorts of
amendments to legislation in a very positive light, working towards the same end as the now government is.

Homeownership, as I mentioned, is a very important part of a commitment to a community for all Australians. If they have the opportunity to participate in homeownership they take a little bit more pride in how they manage their affairs domestically. So we do support very strongly this contribution and the flexibility it entails so that more people will be able to partake in homeownership to ensure a civil society and a society that is going to benefit all people who are exposed to it in those communities.

The second part of the bill I would like to speak about tonight is basically the transfer of title for 13 national parks. I am advised that in 2003 the government agreed to the transfer of title to these parks. But the transfers, for whatever reasons—I am unsure exactly what they are—did not take place. The question from the coalition’s perspective was that the ongoing management of these parks be retained by the Northern Territory government. This is part of a process to ensure that they will not fall into a state of disrepair or will not be managed poorly. We want to ensure that there is still some accountability for how these parks are managed. I have been advised that this agreement has been reached and those assurances have been received so that not only will the parks retain the appropriate management but access to the parks will remain free to all. In having received that assurance, the coalition will be supporting this legislation and will be maintaining an ongoing process to protect the management of those parks in the absence of any legislative assurances.

Senator SIEWERT (Western Australia) (5.17 pm)—The Indigenous Affairs Legislation Amendment Bill 2008 makes amendments to the scheme introduced by the previous government for township leases, otherwise known as section 19A leases, as well as some other amendments. The Australian Greens, as people from this chamber will know, strenuously opposed the previous government’s move to introduce the 99-year township leases. We believed these leases marked a significant change in land rights legislation. We had a number of concerns at the time, particularly about lack of consultation with communities introducing these specific changes. If people remember that debate at the time, there was consultation around a section of that legislation but not about these most important changes. We were concerned about the potential for traditional owners to have to relinquish control over land for 99 years; the potential for inappropriate commercial development on subleased land; and, given the length of the leases, the potential for traditional owners to lose the chance to respond to future opportunities for economic development that emerge. We also had concerns about the previous government pressuring communities into entering these leases, particularly over requiring them to enter into leases over what where supposedly considered non-essential services. But, of course, communities were then in the process of having to discuss 99-year leases for things like schools. The Greens very strongly believed that education and schools were an essential service.

We know the ALP shared our concerns at the time—in fact, the Democrats, the Greens and the ALP held a joint media conference to talk about these issues. We remain unconvinced by the argument that private leases are needed for economic development in Indigenous communities. As I said two years ago, the main impediment to economic development in Aboriginal communities is not the issue of land tenure and private leases. Housing access, rather than individual homeownership, is an issue. Constraints to eco-
onomic development include incredible remoteness; the transaction and transport costs; limited opportunities; small population sizes with no economies of scale; the lack of equity in terms of low incomes and low rates of employment; and, in particular, the lack of education, training and infrastructure. These are all issues that constrain economic development.

We are concerned with the focus on leases rather than on more innovative tenure arrangements such as those that are being considered in response to the housing affordability crisis in the broader community. At the very time that government are continuing to say they need control of the assets in order to be able to fund housing et cetera, the government are also helping and looking at very innovative lease arrangements—and I must congratulate the people who are looking at these types of innovative lease arrangements—that are not about control and ownership of the land. However, having said that, this bill does in fact make some positive amendments and is a step in the right direction.

The new government’s approach, we believe, is an improvement on the previous government’s approach. The bill provides for township leases under section 19A to be for a period of between 40 and 99 years. Of course, we would prefer it to be at the 40-year end, but this is an improvement on requiring 99-year leases alone, which we believe, as I have stated before and just then, are too long. The bill also makes changes to the executive director of township leases. The executive director can now be responsible for section 19 leases and leases over community living areas as well. This provides a level of independence in administering these leases. The executive director is a statutory office, and that level of independence in administering the leases is in a measure reassuring, although we would like to see included a specific mechanism for the executive director to access expert advice, including from landholders as well as the Northern Territory and Commonwealth governments. We believe this is essential so that they get input from people who are actually experts on these sorts of things as well as from landowners.

The bill, in part, is designed to facilitate the government’s housing program for remote communities. While the investment of $1 billion is very welcome and an excellent start, we do have some concerns about the housing program. One concern is that the proposed housing model for remote communities does not yet meet the needs of communities, although the level of funding certainly goes part way to addressing the housing crisis that faces remote communities, which will require an enormous amount of funding.

The Greens are concerned about the monopoly of NT Housing as the only provider. This housing is different to other public housing because it deals with the issue of 60-year leases. Although the 40-year option is on the table, I have been told personally that some communities are still being required to negotiate around 60 years rather than 40 years, and they would prefer to be negotiating around a 40-year lease option.

We want to ensure that appropriate consultation is carried out with communities in designing a housing model for their communities. Again, we are deeply concerned that in fact some of the urban models are being pushed onto communities rather than there being any true consultation with people to find out what will actually work in remote communities.

We are also very keen to ensure that government commitments, which they are supposedly writing into housing contracts with providers, adequately deal with employment
and training requirements. We are pleased to see the government committed to including employment and training requirements in contracts with providers and we will be keeping a close eye on that to ensure it happens, and it happens appropriately, in each community. I am still concerned that some of the innovative enterprises that are in fact going into some communities may be sidelined by the alliance approach the government are taking in the Northern Territory. As I said, we will be watching that issue extremely closely.

Maintenance is also a very important issue—not just day-to-day maintenance but ensuring there is a plan and proper funding for long-term maintenance. We are aware of many run-down houses in remote communities, and it is essential that adequate funding be provided for maintenance now, not later down the track. Overall, the Greens believe that portion of the bill is a step in the right direction, although we still have concerns about the government’s requirement to enter into these types of leases in order to get money for housing.

Another section of the bill deals with parklands. We are very happy to see that the 13 areas of land in schedule 3 of the bill are finally being declared Aboriginal land, to be operated as national parks under a joint management model. I understand that in fact the coalition did have some problems with this. I have now heard Senator Bernardi say they are happy with the arrangements. Perhaps those arrangements could be shared with the rest of us to ensure that the rest of us are happy with those arrangements and to see whether they differ from those we have been briefed on. The Greens were briefed on this bill. I am very interested to know whether those arrangements have subsequently been changed since we were briefed, because it may raise some concerns for the Greens if they are different from that which we have been informed of. We support this bill.

Senator CROSSIN (Northern Territory) (5.25 pm)—The Indigenous Affairs Legislation Amendment Bill 2008 makes minor amendments to the Northern Territory emergency measures through amendments to the Northern Territory National Emergency Response Act 2007. It means the Aboriginal Land Rights (Northern Territory) Act 1976 allows for greater flexibility in granting of township leases and expands the function of the position of the Executive Director of Township Leasing.

This bill, finally, provides for the grant of further Aboriginal land in the Northern Territory to become national parks. Let me go through those three important aspects of the legislation we are dealing with. Schedule 1 amends the Aboriginal land rights act 1976 to make provision for township leases of between 40 years and 99 years. This gives Aboriginal people far more flexibility, while at the same time it gives a lease of a minimum length, which will not be a deterrent to any development. Any leases agreed will be renewable but any extension cannot take the total lease period beyond 99 years. This is a great improvement for Indigenous people in the Northern Territory. What the previous government were proposing were 99-year leases, which had no other options. Traditional owners would lose control of their land for at least 99 years—in other words, over several generations, when considering the lifespan of Indigenous people.

Under these changes, though, a land trust considering a township lease can better tailor the lease terms and conditions to the needs of a community. The people themselves will have an increased range of options in considering leasing and subleasing. The Executive Director of Township Leasing will also be appointed, either on a full- or part-time basis,
and will have additional functions enabling them to enter into a variety of leases for the benefit of Aboriginal people. If employed full time, the executive director is not allowed to engage in any paid outside employment without ministerial approval and, if employed part time, they are not allowed to engage in outside employment which may conflict with the performance of their duties. The executive director will be able to enter into and administer section 19 leases and other leases, such as for community living areas, where the minister approves such involvement and, similarly, for some leases, such as for town camps, where the minister approves such involvement.

Schedule 2 of this legislation makes improvements to the Northern Territory National Emergency Response Act 2007. Amendments have been made to allow the Commonwealth and others to agree on amounts to be paid in respect of the five-year leases currently held by the Commonwealth over all of the prescribed land in the 73 communities that are operating under the Northern Territory intervention.

Under these amendments, in paragraph 23, a land council can be given the function of negotiating agreed payments in respect of the granting of a lease. Furthermore, proposed section 33B allows such a land council to charge the Commonwealth a fee for reasonable expenses incurred in carrying out functions under section 23. However, under section 35, the land council must spend any such fees as income for those directly related to administrative costs. So there is no carte blanche for land councils to raise revenue for general purposes.

The question of compensation for assets taken over the five-year leases has been a long, ongoing issue of concern for communities in the Northern Territory since day one of the intervention. This amendment now clarifies the matter, and compensation will clearly be negotiated, rather than following the previous government’s line of ‘just compensation which will be assessed’, which was rather vague and uncertain. Now the matter can be negotiated with the land councils representing communities if they so desire.

Finally, I think the most significant aspect of this bill is schedule 3, which provides for the grant of 13 further areas of land to be operated as national parks. The land presently under land claims will become Aboriginal land, which will immediately be leased back to the Northern Territory government for 99 years and then become national parks. The background to this is that in 2004 the Northern Territory government introduced the Parks and Reserves (Frameworks for the Future) Act to resolve outstanding land rights and native title claims on parks and reserves across the Northern Territory. Twenty-seven parks were assigned to one of three schedules, based on the strength of Indigenous attachment, tenure of the park and adjacent land and the existence of native title or Aboriginal land rights claims. Parks and reserves were to be placed on schedule 1 of the Aboriginal Land Rights (Northern Territory) Act 1976 and then leased back to the Northern Territory as jointly managed national parks. The process of scheduling required an amendment to the Commonwealth legislation, which passed through both houses of federal parliament—the legislation we are now dealing with.

It is important to note that what we now have in a Rudd Labor government and in Minister Macklin are a federal government and minister that are prepared to work cooperatively and consultatively with Indigenous people and form a very important working relationship with the Northern Territory government and its new Chief Minister, Paul Henderson. There was no action from the
previous federal government, despite correspon-
dence from the former Northern Territ-
ory Chief Minister, the Hon. Clare Martin,
to the Minister Assisting the Prime Minister
for Indigenous Affairs, the Hon. Senator
Amanda Vanstone, in March 2005. There
was a further letter to the Hon. Mal Brough
in June 2007 requesting that the affected
parks be inserted into schedule 1 of the land
rights act. What we now see with the election
of a Rudd Labor government is a federal
government prepared to work cooperatively
with the Northern Territory government, get
things done and move this agenda along.
This has been on the table since 2005, and
we did not have any action or response from
the previous two ministers under the previ-
ous federal government. In a letter from
Chief Minister Paul Henderson that I re-
ceived back in March, he said:
I am also aware of the considerable frustration
and concern from traditional owners of the
Schedule 1 parks and reserves that the continuing
delay by the former Government in introducing
the Bill to Parliament was motivated more by
political rather than administrative considerations.
Many of these people are old and have battled for
many years for recognition of ownership of these
areas. It seems fitting that the Territory Govern-
ment’s wishes in recognising this ownership and
lease-back arrangements for parks and reserves be
supported by the Australian Government.
That is exactly what we have done and what
we are doing today.

This bill makes amendments to legislation
relating to several aspects of the Northern
Territory emergency response. These
changes will allow greater flexibility in land
dealings for Indigenous people and will ul-
timately facilitate provision of improved
housing and infrastructure through better
security of tenure. Lease times will be more
flexible and allow traditional owners to bet-
ter tailor agreements to community needs.
The government will work with traditional
owners through land councils to progress
leases where communities are interested.
Any question of compensation for any assets
taken over will be negotiated and communi-
ties are assured that they may be represented
by their land council if desired.

The amendments being made by this bill
will enable the finalisation of the Regional
Partnerships agreement signed on 20 May
this year with the Groote Eylandt people. It
is a partnership between the Indigenous peo-
ple on Groote Eylandt, the Commonwealth
and the Northern Territory government.
Groote Eylandt, as some may know, is a
large island out in the Gulf of Carpentaria. It
is surrounded by clear waters full of fish and
prawns, as Senator Scullion would know,
and manganese is found on it, which is
mined. This Regional Partnerships agree-
ment allows for a lease period of 40 years,
plus a possible renewal of 40 years. Without
this legislation enabling flexibility, such an
option would have been far less likely. In
fact, it would have been rejected by the peo-
ple on Groote Eylandt. This flexibility en-
abled the people to feel comfortable in sign-
ing the agreement. Under this agreement,
land will be leased for 40 years and those
leases will be renewable. The communities
of Angurugu and Umbakumba will get more
housing and infrastructure works. They have
also established a top-standard resort in Aly-
angula for business tourism.

This is a group of Indigenous people who
have literally got their act together. I want to
pay tribute to the Anindilyakwa Land Coun-
cil and the people on Groote Eylandt. Not so
long ago, they suffered most of the problems
we hear about: petrol sniffing, alcohol abuse
and domestic violence. Now they have an
alcohol management scheme worked out by
themselves and have very little trouble any-
more. Petrol sniffing is all but finished; do-
mestic violence is rare. The local mining
company, GEMCO, have always offered
employment, and a good number have taken up that opportunity.

Minister Macklin has now visited Groote Eylandt twice, the last time being to actually sign this lease and to witness the opening of the fantastic new Dugong Beach Resort hotel. Importantly, the Anindilyakwa Land Council put royalties from the mining together with a bank loan from the National Australia Bank to build the Dugong Beach Resort and to start up a tourism business. Prior to this, they planned ahead and sent a number of local young people over to Cairns to work and train in hospitality. These people now work at their own resort. An agreement with GEMCO means that visitors will stay there and only there, as well as tourists. There is also a fishing lodge next door owned by Andrew Ettingshausen, which they work in partnership with. Fisherfolk stay at the resort and use the ET fishing trips. So this is a real win, this is a very good news story for Indigenous people in the Northern Territory and it is a winning situation for all concerned.

This is a great example of what can be achieved where a community has been supported and it has turned things around. It is also a great example of a private partnership involved with Indigenous people to the benefit of all parties, and backing them of course is a Commonwealth government that is prepared to enter into negotiation and consultation with Indigenous people so they can get a land-leasing agreement that supports the enterprise that they want to develop. I was very saddened that I was not able to attend the opening of the Dugong Beach Resort hotel, due to family reasons, but I have heard that it was a fantastic day. I know, from a number of people who have travelled to Groote Eylandt since, that it is simply an outstanding resort to stay at. It is similar to the Darwin Airport Resort, which was built in the Northern Territory by Foxy, who has gone into partnership with the Anindilyakwa Land Council in the Dugong Beach Resort, and this is a terrific, fantastic good news story for Indigenous people in the Territory. All this has been achieved by the people, largely represented by their land council really negotiating deals and agreements. The knowledge that this legislation would give them lease flexibility was the final assurance they needed before leasing their land and opening the way for better housing and infrastructure.

Resolving Indigenous issues by agreement, rather than by imposition or through the courts, is the way this government prefers, and so do the Indigenous people of the Northern Territory. Once again we can say that a bill coming from the Rudd Labor government is one of a raft of bills aimed at improving outcomes for Indigenous people through consultation and agreement. This bill enables Indigenous landowners to negotiate much more flexible lease arrangements if they choose to lease their land. They have more say in the lease terms and length or in the subleasing arrangements. There is a better, fairer balance between lessees and lessors. They know that they are not signing away their land for generations. It will give more certainty in negotiating any payments under the five-year leases in the prescribed communities.

These changes are all part of what will be an ongoing series of practical measures under the Closing the Gap program, which one could really say started in full on 13 February with the apology. Other measures include funding Indigenous education, such as the additional 200 teachers and additional classrooms in the Northern Territory; improvements to literacy and numeracy programs; and additional boarding colleges to improve access to secondary education for remote students. They are all part of this package. No-one believes that this gap can be closed overnight, but this bill should be supported
as part of that ongoing package. It is another step on the road to bridging the gap and improving the economic and financial outcomes of people in Indigenous communities in the Northern Territory.

In closing, this bill allows flexibility in relation to township leases under the Northern Territory land rights act, from a minimum of 40 years to a maximum of 99 years. It allows the finalisation of the Regional Partnerships agreement on Groote Eylandt with the Anindilyakwa people, it looks at increased functions for the Executive Director of Township Leasing and, more importantly, it allows for a further grant of Aboriginal land which will mean the creation of 13 national parks in the Northern Territory. This legislation is long overdue. I know that for quite a number of years the Northern Territory government and Indigenous people in the Territory have been waiting for this legislation in order to create those 13 national parks. This will mean that this land will become Aboriginal land and will then be leased to the Northern Territory government for 99 years. This is another chapter in improving Indigenous lifestyles in the Northern Territory. It is also another chapter of the good news story of what Indigenous people can do when they get solid backing and commitment from a federal government that then goes on to actually implement its promises, its words and its negotiated outcomes.

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (5.41 pm)—Before I rise to speak on the Indigenous Affairs Legislation Amendment Bill 2008, I would like to lend some support to my colleagues from the Northern Territory. It is rare that we agree on many things, but I think this piece of legislation pretty much has bipartisan support in this place and I really need to deal only with one aspect of it. Firstly, I would like to make the brief comment that I agree with Senator Crossin’s remarks on the cross-government process of establishing the Dugong Beach Resort. Having visited the resort, I know it is an absolutely fantastic place. To anybody who has an idea that they would like to go fishing and to experience the Northern Territory, I say this is the place for that, and you will have the added benefit of experiencing a great deal of Indigenous culture. A number of the tours that are run from the resort focus very much on people having that Indigenous experience, one that is so difficult for others to have. So I certainly commend a visit to Groote Eylandt.

The issue as to the bill before us that I would like to speak about is the handing over of the 13 parks and reserves to Indigenous ownership. This particular portfolio of parks is currently part of the Northern Territory national parks portfolio. All the parks are in Central Australia. They are a fundamental part of the cultural and recreational activities of many people, particularly those who live in and around Alice Springs. Many Territorians have expressed concern to me, to most Territory parliamentarians and certainly to the Northern Territory government about certain aspects of these parks: how they will be managed in the future, whether the parks’ iconic biodiversity will be maintained as a principal focus of the management of the parks—and there is a whole suite of other questions. Of course, once title to the parks is transferred they will be immediately leased back by the Northern Territory government. The idea is that they will always be protected as national parks. There is concern that as the Northern Territory government—on behalf of Territorians; in fact, on behalf of all Australians—leases these parks back, questions will arise over their management. For instance, will the Northern Territory government be managing these parks as it would manage other parks in the Northern Territory? The parks and reserves are very
important, particularly for those people in Central Australia. It is an interesting process. I am not sure why it is the case, but the parks in Central Australia are utilised far more, particularly for walking and such recreational activities, than the parks in the north of Australia are.

Territorians have come to me saying that the Northern Territory Conservation Commission have an excellent record in managing national parks and should continue to perform this role in partnership with Indigenous owners. It is extremely important that a government that is leasing the parks for this purpose be afforded the ability to effectively carry out its duties. Perhaps there has been some confusion, but for some time there have been meetings in Alice Springs of over 200 people. There is a real nervousness because of the constant threat in the media about what the future of the parks will be, particularly in terms of access.

A number of issues continue to crop up: the number of homelands that would potentially be built in these areas and the roads to those homelands would that mean closures in the parks, given that there is pretty much open access to these parks at the moment, which afford the people who live in Alice Springs a wonderful recreational amenity which they wish to continue to enjoy? There are also issues of biodiversity, companion animals and traditional hunting—whether it would be introduced into these parks. There are issues associated with existing commercial operators and whether the transparent process of allocating permits would continue to apply. These are the concerns of the people in Alice Springs.

I have to confess, it is probably me that Senator Crossin and others can blame for holding up the legislation since 2005. She mentioned previous ministers, and I can say that on each of those occasions when the minister came to me and said, ‘Do you think this will be all right?’ I said, ‘Minister, when you put the question to me I asked those people in Alice Springs and they all said definitely no because they need some assurances that entry to the parks and the management of biodiversity for all Australians would in fact be maintained.’

As this legislation is now before the parliament, I wrote to the Chief Minister of the Northern Territory, and I received a letter from him today. I was delighted to find that some of my concerns have at last been put to rest and I have some assurances. I understand there is no specified requirement that any of the parks and reserves have a board of management. I also understand from his letter that the governance arrangements will be determined between the joint managers on a case by case basis. On the issue of boards, the examples of Kakadu, Nitmiluk and Uluru have been used—perhaps that is why the concern arose—because they are all mandated in legislation to be joint managed where the majority of traditional owners are involved in that management process. I understand that the only requirement is that park management contain equitable representation, so it is not mandated as some people have indicated.

I also understand that all joint management plans are a legislative instrument, must have public consultation and be put to the Legislative Assembly for seven days. So people with concerns in Central Australia should understand clearly that the government of the day will be accountable for any changes that are made, rather than a board that may not have quite the same transparency as one would expect under these circumstances.

The letter confirms that it is up to the Northern Territory government to approve all management arrangements through an in-
strument, not legislation. Territorians will not see management and control of these parks transferred permanently to traditional owners for the term of the lease. If the Northern Territory government decides to give majority membership on these boards that make these decisions to traditional owners, then that is their decision and they will have to defend that publicly through parliament. The Northern Territory government will be answerable to Territorians on these issues.

Whilst the letter does not provide written assurance that the Northern Territory government will retain and maintain majority management of the parks and reserves, it gives Territorians, through me, an assurance that the legislation does not grant majority management and control to the traditional owners, as is the case, as I indicated, for other parks. Whilst my concerns are not categorically resolved through this letter, the Northern Territory government have assured Territorians that they believe that they retain the necessary controls to be the final decision-making body over park plans of management and other management arrangements. Based upon these assurances, I intend to support the bill on the understanding that the Northern Territory government will maintain overall control of the parks and reserves and will be, as I have indicated, accountable to Territorians through the parliamentary process.

This joint management model could also be used to look at leasing back iconic land that is held as part of a pastoral lease or in private ownership. There are concerns for much of our iconic biodiversity around Australia, often around the inflexibility of the leasing arrangements and whether we can provide specific and focused management plans. Hopefully, this model, which provides me with some comfort that the very best of managers will be ensuring that they make those decisions, can be used not only for the future of parks in the Northern Territory but over other areas of landownership where we wish to protect iconic biodiversity.

The Northern Territory government, after providing me with some assurances, will be heavily scrutinised by the public on their performance and commitment to the preservation of the Northern Territory’s parks and reserves on public display, and they will be judged by the parliament. I am absolutely assured by all those people who currently use the parks that they will be very vocal should the assurances provided by the Northern Territory government dissolve.

Senator BARTLETT (Queensland) (5.51 pm)—The Democrats support the Indigenous Affairs Legislation Amendment Bill 2008. It is interesting and, to some extent, refreshing that we can have legislation dealing with issues affecting Aboriginal people in the Northern Territory and not have a lot of heated controversy and finger-pointing, name-calling and outrage being slung backwards and forwards and we can look in a reasonably measured way at the specifics of the issues. That does not mean that everybody has to agree on every component, but at least we can look at it in a fairly measured and balanced way. It contrasts with the approach taken with regard to the specific area of legislation and law that this bill before us amends.

It is a matter of continuing disappointment to me that the approach taken by the previous government and the previous minister in particular was one that was so aggressive towards any attempt to try and just get scrutiny and consideration of some of the concerns that were raised. I am not in any way suggesting that any minister or any government should always agree with me or with anybody else on every issue. But let us not forget the approach that was taken when the amendments were made to the legislation...
affecting land rights in the Northern Territory by the previous government where, once again, we saw—and let us not forget how frequently this occurred—the previous government insist on an extremely rushed Senate committee inquiry. Again, we were begrudgingly and very lucky, in one sense of the word, to be given even that opportunity.

We held a one-day hearing in Darwin as I recall. I think the relevant officials from the department here in Canberra did not even bother to come up, so we had to deal with most of them over the telephone. We again had this continuing insistence that this was super urgent, there was no time and we could not cope with any amendments as they would have just ruined any prospect of the absolute great gains that would allegedly be achieved by introducing a 99-year lease. There were all these proposed developments that were going to lead to economic opportunity for a range of communities in the Northern Territory that we would purportedly be holding back if we did not pass the legislation straightaway. That was the context of the debate that was held, such as it was.

It was clear that there was a lot of concern at a local level and there was some clear opposition. Again, that does not mean the government should not have proceeded but, as I said a number of times—indeed when the idea was first floated about long-term leases by the previous minister, Minister Vanstone—it is not just a matter of whether or not it is a good idea but, as with many areas of public policy, particularly one like this where you are dealing with such a crucial issue for traditional owners and Aboriginal people in the Territory, the way you do it has a big impact on the chances of success. The way it was done almost guaranteed an increase in suspicion about what was going on. So it is welcome that we are seeing a relaxation of the very tight and prescriptive approach that was put in place in the north with the government using its Senate majority couple of years ago. There will be flexibility in regard to the length of leases so that there is more scope for the length of leases to be in accord with both the views and the differing needs of different groups of traditional owners and different communities in different parts of the Territory. Also, as Senator Siewert indicated in her contribution, the legislation allows for some greater degree of independence with regard to the administering of these leases, so there is less apprehension about them being used or driven by the government agenda of the day, which happens when you get an overtly politicised or an overtly ideological crusade being followed to justify amendments to legislation.

As we all know, in the last week or so it has been the first anniversary of the announcement of the previous government’s Northern Territory intervention. That is a difficult issue and it is understandable that people have strong and differing views. But it is one, as I have said a number of times, where the former minister, Mr Brough, deserves continuing credit for having put the issues of major disadvantage and the major dangers being faced daily with regard to abuse and family violence front and centre on the political agenda in a far stronger and more continuing way than had occurred in the past. He does deserve continuing credit for that but he also, I believe, deserves continuing criticism for doing it in a way that unnecessarily alienated people, many of whom agreed with the stated goal of what the minister was trying to achieve.

It was ironic to see the former minister, Minister Brough, talking over the weekend in some of the pieces looking at this anniversary about how it takes time to get results. Of course it does; that is what everybody said. It also takes time to work through how to set these things up properly—time that was not permitted. He was talking about how a part
of it is about building trust—building the trust of police officers on the ground, of the health workers and other workers on the ground. One thing that makes it harder to build trust is when dramatic changes are forced through without proper consultation in a highly politically charged and ideologically driven way, and with very aggressive approaches, basically smearing anybody that disagrees or raises concerns.

Certainly, from the Democrats approach at the time, I made it quite clear a number of times that we did not categorically oppose what the government was trying to do. We wanted to ensure that there was sufficient consultation with the people who are directly affected; that is, that the people who actually own the land and the people whose rights were being modified by laws passed here, so far away, were consulted with and that there was better engagement with them about how these new systems would work. We did not take a position initially on what was being proposed beyond saying: ‘Well, let’s explore this and let’s explore it with the people who are going to be directly affected. Let’s not just push it all through.’ The problems that happened were totally predictable and, to some extent at least, avoidable. It is pleasing to see a different approach being put forward now. That does not mean that I agree with everything that the government is doing, just as I did not agree with everything that the previous government did, but a lot matters with regard to how you do things.

It was ironic to read a piece in the Australian today by David Burchell raising concerns about the approach of some people in the political debate and the descriptions he used about political debate, that they:

... are greased with the oil of personal vitriol—an approach that seeks to—

ritually degrade those who are seen as renegades from the cause.

That quite strongly—almost perfectly, it seems to me—describes the attitude and approach of some and certainly the attitude and approach of the previous minister towards those who did not just back him 100 per cent. It was certainly the attitude and approach of a huge number of pieces that I saw in the Australian newspaper about these issues over a long period of time.

It is ironic that the piece written by Mr Burchell was not intending to criticise the mainstream media; he was actually criticising what he calls ‘the political blogosphere’. In my experience, whilst there is plenty of vitriol out there as well, some of the most worthwhile contributions about what was happening on the ground—some of it reinforcing and justifying what the government was doing, I might say; it was not all one-sided at all—came through what is loosely called ‘the blogosphere’. That is a very unglamorous title, but that is the description that is applied. From my point of view, the material that is valuable, whether it is published in the blogosphere, elsewhere online or in the mainstream media, examines what is happening on the ground and what the evidence is—as opposed to the ideology, the rhetoric and the vitriol—particularly when it hears from people in those areas affected. It was the failure of the Senate, due to the use of the coalition’s soon-to-disappear majority in this chamber, that we did not do that adequately—that we were not able to engage with people on the ground.

I am mostly focusing my criticism on the former government because that was the position through which I engaged with the legislation in my role in the Senate, but there is no doubt that the Northern Territory government must merit some criticism for the way they engaged with this approach as well. I am not specifically talking about the intervention; I am talking about the changes in the debate around the 99-year leases and the
adoption of that, the mixed messages there and the guarantee that they would set up an entity to manage these leases, which then did not happen. I would have to say that that really did not help overall in what is being achieved here.

I do not oppose the option of being able to set up leases of up to 99 years if it is clearly with the full, informed and free consent of the community. As I have stated a number of times about my own state of Queensland, I think there is no doubt that in some of what are known as DOGIT communities, where the land is held jointly in trust by an Aboriginal land trust, some form of leasing arrangement should be further explored. Some of those potentials already exist in legislation in Queensland and could be expanded further. So I am not opposed in principle to that whole idea or the approach that the former minister put forward. I was critical and remain critical not because I just want to keep reliving old disputes but because I think it is important that we do not go back to that very ideological, very aggressive and very vitriolic approach. We need to recognise that process is also important.

These are very challenging issues. When I say that vitriol does not help, I do not mean at all that people should not be strongly committed or forceful in their views. I think we should be very forceful in our views and very determined across party lines to give continuing priority to the major hurdles, major disadvantages and major traumas still being experienced by many Aboriginal people in communities in the Territory and around the country. Of course we should be very determined to do more about that and very strong in our views, but we need to do all we can to reduce the amount of ideological mud-slinging, vitriol and ‘ritual degrading of those who are seen as renegades’—from whatever cause we might think we are the standard bearers for, on whatever side of the spectrum—and to focus particularly on the people who we are talking about. It is legally their land we are talking about, just as much as for any other Australians. You would not legislate about the rights of other people to their lands on such a large scale without consulting and, ideally, engaging with them.

That brings me to another aspect of the legislation: that part to do with parks. I do not dispute the concerns or the issues that Senator Scullion raised. I would certainly never dare to suggest that I know more about the Territory than he does, because he is very immersed and very experienced in the operation of the Territory, the history of the Territory and the views of Territorians. Nonetheless, I perceived an apprehension in the views that Senator Scullion put forward that suggested a concern about excessive Indigenous involvement in the management of parks. Joint management is not necessarily suitable in every single park, and I do not have a problem with the principle of the Territory government having ultimate responsibility for what is decided and then being held accountable through the electorate, but I do think, from my experience—and from my past experience in the Senate environment committee in the inquiries we have done into the management of parks in general—that, as a general rule, there is a growing recognition that we need to maximise Indigenous engagement in the management of parks of all types, anywhere in the country, wherever they are. We are not doing well enough there.

I put on the record my strong hope that the Territory government, current and future, whoever they may be, do seek to maintain maximum effective involvement of Aboriginal people and traditional owners in the management of the various parks that are touched on in this legislation. I am still frustrated by the decision of the previous government to unilaterally remove the Indigenous represen-
tative from the board of the Great Barrier Reef Marine Park Authority purely on the basis of a totally separate ideological agenda about government instrumentalities that took no account of the specifics of the management of protected areas and the value that comes from tapping into the knowledge and the rights of traditional owners, whether for a marine park or a national park. I think that point does need to be emphasised.

I do not have a view about what is best for each individual park. That is not my role. It is not my expertise. It is more appropriate for the Northern Territory government to do that. But I do think it is important to emphasise that it is not just some nice feelgood thing: ‘Wouldn’t it be nice if we had lots of Indigenous people on the boards of management and those sorts of things?’ The facts show that, the more you can engage traditional owners in the management of the parks on their land, not only do you get a better environmental outcome but the chances of getting better social and economic outcomes also increase. It is not guaranteed by any means, and I am certainly not suggesting that joint management of Uluru-Kata Tjuta National Park, for example, has been a massive boon for traditional owners. In all sorts of ways it has not, but the joint management arrangement is not the reason why it has panned out that way. I think that point is important to emphasise.

So whilst the bill itself is noncontroversial—in the sense that everybody in this chamber supports it—the topic is and should be controversial. It is a matter that I hope will, and I am sure will, continue to be focused on by people from all parties in this chamber. It is important that the priority—the greater focus on Indigenous issues, not just in the Territory but elsewhere—that is a legacy of the former minister, Minister Brough, does continue with the new parliament. I am sure that many people, not just those in this chamber but many outside in the community, will do all they can to make sure that that happens.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.08 pm)—In closing the debate on the Indigenous Affairs Legislation Amendment Bill 2008, I would like to thank all those senators who have contributed to the debate—in, might I say, a very constructive way in comparison to some past debates we have had in this chamber and, indeed, the parliament. The bill makes amendments to legislation relating to Aboriginal land in the Northern Territory. It provides greater flexibility in dealings with land owned or controlled by Aboriginal people. These changes are intended to facilitate an improvement in housing and infrastructure, including through the provision of more options to provide security of tenure for government providers of facilities.

The bill provides traditional Aboriginal owners with more flexibility under the Aboriginal Land Rights (Northern Territory) Act 1976 to deal with township leases. Township leases will now be set at a minimum term of 40 years, and there will also be provision for renewal of township leases up to a maximum of 99 years. The changes proposed will allow leases to be tailored for individual communities. Notably, it will allow for an agreed new township lease for Groote Eylandt region communities.

Other provisions in this bill allow the Executive Director of Township Leasing to hold other types of leases or subleases over land primarily held for the benefit of Aboriginal people. This change will give Aboriginal landholders the option of entering into a lease with an independent statutory office holder rather than directly with the government. The bill makes changes to the Northern Territory National Emergency Response
Act 2007, creating a framework for negotiation of payments to landholders for five-year leases. This will encourage a negotiated approach which will diminish the likelihood of court action being initiated to resolve disputes.

Lastly, the bill amends the Aboriginal Land Rights (Northern Territory) Act 1976 to allow for the grant of 13 further areas of Aboriginal land. Granting these parks and reserves will enable the government to finalise an agreement struck in September 2003 between the Northern Territory government and the traditional Aboriginal owners of the land. It is consistent with the government’s approach of resolving Indigenous land claims by agreement, wherever possible, and not through the courts. As a result, the 13 parks and reserves will be operated as national parks to provide long-lasting enjoyment for all Australians.

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

Second Reading
Debate resumed from 19 June, on motion by Senator Sherry:
That these bills be now read a second time.
(Quorum formed)

Senator MOORE (Queensland) (6.15 pm)—I have talked many times in this place about funding for cancer services in this country and the expectation that government at all levels, but in particular the federal government, should have a coordinated response to look at the issues of cancer in our communities. I am pleased to say that, leading on from this government’s first budget, we have put in place a range of measures which will work effectively with some of the things that were put in place under the previous government.

I make particular mention of the establishment and ongoing importance of Cancer Australia in our community. When we debated the introduction of Cancer Australia, one thing that was consistently raised was the importance of ensuring that, once a commitment was made by the government to insert such a very powerful organisation into our health profile, from that point onwards effective funding would be provided, budget after budget, to ensure that such an organisation would be effective, responsive to the needs of the community and would have integrity in processes of coordinating cancer care across the community and being a vanguard for research funding. Publicly making that statement would ensure that the Australian community could be proud of what was going on in this field.

This year the budget continues to provide effective funding for Cancer Australia to continue to exist, under the auspices of the Department of Health and Ageing, and to maintain their role of keeping a high-level, professional process going to ensure that effective research grants are provided and to ensure that we get the best possible services—not just medical processes but also drawing in community knowledge and support. One thing that came out in the two cancer inquiries conducted in this place over the last five years—the cancer inquiry under the leadership of Senator Peter Cook and, several years later, the follow-up inquiry around issues of gynaecological cancer, led very strongly by Senator Jeannie Ferris—was the need for that cooperative response.
During the lead-up to the budget, the Minister for Health and Ageing, Ms Roxon, talked effectively with places in communities across this country. The government gave a list of commitments during the election, that were fulfilled in the budget process, to ensure that there would be appropriate community funding in this area. The government is providing $15 million over three years to CanTeen to establish young cancer networks in Australia. From the cancer inquiry in 2004 we identified that young adolescents who were diagnosed and working through the process of cancer treatment were missing out on the most effective awareness in our communities. The committee were advised that this group of people were lost somehow between the issues of child and adult medicine. We found from a number of witnesses who came to us that there needed to be a particular response to look at the needs of young people who were going through the difficult enough period of adolescence and to look at their personal response to the issues of cancer care. Youth cancer networks have already been in place in some parts of this country. They run with the involvement of young people, some of whom are still working through their own journeys, and more importantly, they run with the involvement of their families and the people who support them so that they can give peer support to young people who have received the pretty tough diagnosis of cancer. The networks also support the families who are surrounding them. We believe that the $15 million over three years will be an effective support to keeping this work going in the local community and seeing whether it can be a step towards more funding in the future.

During the inquiries we also found out consistently about the absolute importance of clinical trials. There is evidence across the world that people who have had access to the areas of clinical trials with their own particular cancer diagnosis are significantly able to achieve better results in their treatment and in personally coping with the process. Our government, through the budget process, will invest $15 million over three years for independent clinical trials of drugs and research into cancer treatment and care. This funding is being allocated for a range of cancer research and treatment centres which are spread right across the country. I want to name just a few of them to show the range and geographic spread of where this money is going to be spent. There will be funding of $50 million over three years for the Comprehensive Cancer Centre co-located with the Royal Prince Alfred Hospital in Sydney. Very importantly, people from all over the state of New South Wales who are diagnosed with this disease will have a cancer treatment centre of excellence to which they can go with their families and carers to receive effective medical treatment, the immediacy of support from people who know the experiences that they are going through, and also a range of services. That variety of services to be provided—direct medical services, complementary services and work with community organisations—can be part of a personal decision about how you wish to be treated through this process.

There will be funding of $15 million over five years to set up two dedicated prostate cancer research centres. Over the last few years there has been significant discussion in the community about the need for Australian men to take some personal ownership around the area of prostate cancer. There have been public campaigns, a range of speakers and a number of TV advertisements, but the key issue is that when you raise people’s awareness, when people accept that there is a process to which they should submit themselves and actually take personal ownership of what is going on, there must be effective services available. It is all very well to get the aware-
ness and education, but if you do not have the medical services available that will be useless. So $15 million over five years for two more dedicated prostate cancer research centres will mean that, once again, we can tap into the amazing medical knowledge that is available in this country. It consistently makes me proud to see the high-quality research, knowledge and commitment available to us at a range of research centres across Australia. We must use this and we must continue to give these areas support, and $15 million is a start.

Linked to that, we have given money to a number of other places for prostate cancer research. In Adelaide, your home city Madam Acting Deputy President McEwen, we have made a contribution of $15 million—that seems to be a very popular figure—over two years in capital funding to help build a children’s cancer centre at the Women’s and Children’s Hospital. We have heard, and it has been talked about in this place a number of times, about the special help and support that is needed for families who are working with a child who has been diagnosed with cancer. There are examples in this country of superb hospitals that are dedicated to giving that particular support to families. What we have identified—and what came out during the election period and is now being funded through the budget to provide these services—is the need to have these incredibly expensive capital works at the Royal Adelaide Hospital to ensure that that particular service can be provided. Once again, that is not just for the people of Adelaide; it provides a hub, a centre, for people from across South Australia who, when they are working through this process and get the diagnosis, are seeking the best possible help and support. If they have a truly world-class centre in their capital city then they will not need to travel too much away from their home base. We know that when people are going through quite traumatic periods of extensive treatments, it is always particularly hard for them to be too far away from their home base, from their families and from familiar things. When you are working through cancer treatment, having that social support around you is incredibly important. Funding high-class services that are as close to home as possible makes for a better treatment process and results in a better journey for the whole family.

Another $15 million has been allocated towards the establishment of the Olivia Newton-John Cancer Centre at the Austin Hospital in Melbourne—again, a world-class service to be provided in an Australian city, this time connected with the wonderful work that the Olivia Newton-John Foundation has done, focused specifically on the areas of breast cancer and women’s cancer. That knowledge and research can be shared across so many areas. People will be able to see that success and it will give them the confidence they need to work through the whole area of treatment and recovery.

One area that is very dear to me is the $5.1 million over three years to the ongoing operation of the National Centre for Gynaecological Cancers, under the strong auspices of Cancer Australia. This is an area about which we talked with Senator Jeannie Ferris during the cancer inquiry. We believe that there are many streams of research and support that need to be followed through in the area of gynaecological cancer, particularly with the women and the families who are working through that process. Cancer Australia has a plan into the future to work on this. The $5.1 million, through the budget over the three years, will maintain the work in this area and, most importantly, draw more support and more involvement from other areas.
I had planned to talk about this issue anyway, but today is a particularly important day because $12 million over four years has been given by the government in the budget to the McGrath Foundation. Today there has been an outpouring of praise, sorrow and shared knowledge around the death of Jane McGrath, who encouraged many of us over the last 10 years to stay strong, stay involved and to be active in our community and, most importantly, to ensure that we put the woman and the family first and the diagnosis second. I have heard Jane McGrath speak a number of times about her own journey. One of the key roles of the McGrath Foundation has been to recruit, train and employ breast cancer nurses in country towns and rural areas. These are areas that perhaps do not have access to the most up-to-date services. Through both the inquiries that we have been involved in, we consistently heard about the very strong role that an informed professionally trained nurse can play in working with people who are going through their own journey and with the families around them. The McGrath Foundation, with their amazing fundraising, which has been going on for many years now and will continue into the future, provides these nurses in regions that may not have been able to afford them in any other way.

The nurse network—and it is very much a network; it is not isolated; it is not a one-off; it is a network of people involved in the process—will provide information, supportive care and, most importantly, care coordination to women with breast cancer and their families. Care coordination is a key issue when we are talking about the treatment of cancer. It is not a single process; there is not one treatment to which someone must submit. There need to be a range of treatments and they must be coordinated effectively with the patient as the central person—and I say ‘patient’ because people have different views about people being called sufferers. You need to be central to your care when you are working through your diagnosis and your recovery, but there needs to be coordination around you. We found that one of the best mechanisms for that is a strong professional nursing network. That is part of the budget for the $12 million that has gone to the McGrath Foundation. I will just take the opportunity now to send my best wishes and my prayers to the McGrath family and to the extended family who are working through that particular part of the cancer journey with the family.

I have worked with a number of women in the area of mastectomy and I know the expense of working with prostheses. I know that Senator Kay Patterson worked on this issue when she was the Minister for Health and Ageing. The expense and support needed in this area have been ongoing issues. In this budget, women who have undergone mastectomy as a result of breast cancer will be reimbursed by up to $400 for both new and replacement external breast prostheses. The government has committed $31 million over four years to provide this reimbursement. This is a really expensive exercise for a woman who not only needs to have surgery but needs to then maintain this particular part of her self-image when returning to the community, so as to feel good and strong about herself post surgery. The cost of the prosthesis can be quite expensive. This measure also ensures that there is an opportunity for people to have those prostheses replaced at different times and to feel good about it. Thirty one million dollars over four years is not a lot of money, but it is incredibly important to those women who are seeking those services.

Through the budget process we also have given funding to things like the National Tobacco Strategy. I am watching your face, Madam Acting Deputy President to see
whether you are going to pull me up any second here!

The ACTING DEPUTY PRESIDENT
(Senator McEwen)—I am about do that, Senator Moore. Thank you for your contribution.

Sitting suspended from 6.30 pm to 7.30 pm

Senator MOORE—As I was saying before the break, the Rudd government is committed to ensuring that there is a national, coordinated approach to the horrors of cancer in our community. The fight against cancer is our national challenge, and the Rudd Labor government is committed to supporting researchers, clinicians, practitioners, health professionals and people who are working their way through this process individually, with their families, to be involved in immediate cancer research and treatment. This is an issue that relates to all of us and it is all our business, not somebody else’s. We know from the statistics that cancer is Australia’s biggest killer, with more than 35,000 deaths and 88,000 people diagnosed every year.

I have run through a couple of the initiatives that the Rudd government committed to in its first budget, but one thing I want to talk about just briefly in this last five minutes and 40 seconds is the issue of bowel cancer in our community. We know that there has been an ongoing process of looking at this issue and we have had research and gathering of information across the community for the last two to three years. In the budget, we have determined that we will expand that, because it has been demanded of us by the people who care most—the people who are suffering and who think there must be a way to survive this disease. Each week about 80 Australians die from bowel cancer, and one in 22 Australians is likely to develop this disease at some point in their life. It is one of the diseases in Australia that we should be most concerned about, yet sometimes we tend to push it aside and hope that it will go somewhere else.

As well as testing for people turning 50 in 2008-10, testing will continue for people turning 55 or 65 years of age in this period. The national program, which will be funded through the budget, will cost $87.4 million over three years. This is a large commitment, a large amount of money going to the problem, and certainly it reinforces that we believe it to be an important issue for all of us. It is something a lot of community groups have been working on. I want to give particular credit to the Rotary association across Australia, which does many good things and which, as one of its key initiatives over the last few years, has been looking at the issue of bowel cancer in the community. I know that it is pleased by this budget announcement. It is something that meets with its cause to work with people across the country.

I have described the larger commitments of money in our budget, but there are a number of local measures that came through election commitments last year and through working with people at a local level. It is worthwhile mentioning them in this contribution looking at budget appropriations. We have committed to investing in radiation oncology services in Cairns and in north-north-west Tasmania—you could find few parts of Australia more distant than Cairns in my part of the world, which Senator Jan McLucas also knows so well, and north-north-west Tasmania. There will be PET facilities for the Royal Hobart Hospital—I know that Tasmanians have been waiting for a long time to have their own facilities in Tasmania rather than having to travel to the mainland when they need this incredibly valuable service—and the Calgary Mater hospital in Newcastle, and we are also looking at fast-
tracking radiotherapy services at Lismore Base Hospital. All these initiatives have been funded through the health budget.

I am very proud that our government has decided to invest this much of taxpayers’ money in something that is so important for people across the community. It follows from recommendations made through previous cancer inquiries by the Senate Standing Committee on Community Affairs, and I know the people who worked on those inquiries will be well pleased at the response to recommendations about care coordination, specialist services for young people and teenagers who are facing this process and the incredibly important elements of research and clinical trials. These areas came up consistently through the community affairs inquiries. We are pleased that the government have looked at those recommendations and now, with the overall support of Cancer Australia, will be able to look at results and supporting people through their own very tough cancer journey. We will be able to learn from their strength and put into place effective funding to ensure that that journey will be supported not just by family and friends but by the government to whom they turn.

Senator BARNETT (Tasmania) (7.35 pm)—Thank you, Madam Acting Deputy President, for the opportunity to speak on the Appropriation Bill (No. 1) 2008-2009 and related legislation and on the important issue of obesity. Last week we saw a report released by the head of the Preventive Cardiology Unit at the Baker IDI Heart and Diabetes Institute in Melbourne. It was a landmark report. I want to refer to its key findings and then speak to the issue of obesity, what is being done in Australia to address the obesity epidemic and what is not being done, in particular at a federal level, by the Labor government.

We know that obesity leads to type 2 diabetes, we know it leads to heart disease and we know it leads to certain cancers, respiratory disease and a whole range of other health complications. So what were the findings of this landmark report by the Baker IDI Heart and Diabetes Institute? There are a number of key findings. Firstly, overall almost four million adult Australians are currently obese. Secondly, the ‘fat bomb’ is loudly ticking in middle-aged Australians, with around seven out of 10 men and six out of 10 women aged between 45 and 64 years being overweight or obese. Overall, around 1.5 million middle-aged Australians are currently obese and therefore at high risk of a cardiovascular event in the longer term. Based on the best available evidence, our expanded middle-aged waistlines will result in an extra 700,000 CVD related admissions—that is, heart related admissions—in the next 20 years. These highly preventable admissions will conservatively cost, in today’s terms, an extra $6 billion in health care—and $2.9 billion of that will be hospital costs alone. An estimated 123,000 Australian men and women will die, many prematurely, from cardiovascular disease over the next 20 years as a result of their excess weight—more than the seating capacity of the MCG.

A simple strategy, such as losing five kilograms in five months, has the potential to result in 27 to 34 per cent fewer cardiovascular disease related hospital admissions and deaths over the next 20 years. The findings relate in particular to heart disease and cardiovascular disease and concerns, not directly the issue of type 2 diabetes and not directly the concerns relating to certain cancers, respiratory disease and other health complications. You can see that the consequences of this obesity epidemic are incredible—almost beyond belief.
It is true that this government has announced obesity as a national health priority, and I want to congratulate the government for doing that. It is a good move. It is a very good move and it is something that I have supported for a number of years and I am very pleased that it has happened. But what did we find from the federal Minister for Health and Ageing last Friday upon the release of the report? What did Nicola Roxon say about this report? She said that we will have an anti-obesity strategy released next year. I put it to the Senate—

Senator McLucas interjecting—

Senator BARNETT—Senator McLucas, I did not hear that injection, but I am happy to take your interjections.

Senator McLucas—It would want to be evidence based.

Senator BARNETT—It would want to be evidence based? That is a good contribution from Senator McLucas! The strategy would be released next year. I want to say on the record that a do-nothing approach is not an option. We need action and we need it now. Let us go through the various options in terms of what should be done and say that we cannot wait. First of all, I call on the Prime Minister as a matter of urgency to convene the key stakeholders involved in the obesity epidemic. I call on him to convene them, with the support of the minister for health, in the knowledge that this is a whole-of-government problem and a whole-of-government approach is required. We are talking about the ministers for health, sport, industry. Different aspects of the obesity epidemic impact on different parts of our lives, so the Prime Minister should convene an urgent meeting of the key stakeholders to address this obesity epidemic. A do-nothing approach is not an option.

In 2006 a report by Access Economics was released at my sixth Healthy Lifestyle Forum to help combat childhood obesity. I congratulate the author of the report and the lead consultant, Lynne Pezzullo, for her excellent work in pulling it together. That report was commissioned by Diabetes Australia, and I commend Diabetes Australia and particularly Matt O’Brien for his work and his advocacy in supporting healthy lifestyles throughout this country. The report said that obesity was already costing Australians $3.767 billion in direct costs each year, or $21 billion a year after including factors such as loss of wellbeing through premature death and disability. This is not good enough. This requires a call to arms. It is a wake-up call like we have never seen before. As I say, I have had eight Healthy Lifestyle Forums since 2002, when I entered the Senate, to try and highlight this issue and require and look at options for reform.

I released a 10-point plan for a healthier Australia in 2006 and I think it is still relevant. The first point classified obesity as a national health priority, which has occurred—and that is good news. I also recommended applying a Medicare rebate for obesity consultations to allow those who have this condition—and we found out last Friday, according to this report, that there are some four million adult Australians in this condition—to go to their GP, and the GP can prescribe not just a drug but also a lifestyle prescription to say, ‘Listen, regular exercise and a healthy diet is the way to go.’ In a way it is a simple solution, but in a way it is a complex one because it requires a change of behaviour, a change in attitude, a change of lifestyle. It is not so easy because we have habits, and they are hard to kick.

The Prime Minister should establish a healthy lifestyle commission, reporting directly to the office of the Prime Minister. We cannot just put this in silos and think this is just a health issue. As we can see from the cost of obesity, it is more than that. It affects
the economy. It affects industry. It affects our productivity. It affects so many aspects of our lives. Look at the education system and our kids. We want the best for our kids in Australia, and at the moment that is not happening. The Active After-schools Communities program should be extended to reach all school-age children. I commend the former Minister for the Arts and Sport, Senator Rod Kemp, for his advocacy and strong support for that program, for first of all getting it started and then extending it through the schools that receive it. Most senators and members in this place would know that it is a very successful program and well received. We want our children in schools to be healthy and active and playing sport not only during school but also after school. Why have all these facilities there in the middle of our towns and cities all around Australia unused after school? They should be used, and we can encourage further use by our children. The government should also extend its $1,500 Healthy School Communities program to annual funding.

School canteens is a very important area. It leads to the next point of the 10-point plan, which is to allow only healthy food to be sold through school canteens and provided at childcare centres, including a ban on sugary and fizzy drinks. Children should only have healthy choices in schools, not unhealthy choices—not Coke, not Fanta, not the sugary, fizzy drinks. They should be removed entirely from primary schools, and certainly from junior secondary schools, so that children do not have that choice.

We know from the statistics that Singapore is one of the few countries in the world that have successfully defeated the childhood obesity epidemic. Their figures have actually gone down, not up. Australia is going up and up still more, as was seen in last week’s report. We are now the fattest nation on earth, according to this report. This is not a happy record for Australia, by any means. To think that we are outweighing the Americans—and indeed the UK and Mexico—almost beggars belief. We were in the top four. It seems that now, based on this report, we are the top one. But it does not matter whether we are the top one or in the top two, three or four. It is not a good record, and we could do a lot better. We need those urgent meetings of the key stakeholders to be convened to come up with solutions.

We need the tuckshops and the school environment to be healthy environments. In that respect, annually benchmarking children’s health and fitness should occur, in the same way we benchmark literacy and numeracy. That has been happening for years now with literacy and numeracy. We think it is a good idea. Surely our children’s health and fitness are important enough to require benchmarking, so the results can go home to their parents, their guardians and their loved ones, and it can be done in a sensitive and appropriate manner. Whether it is a BMI check and some other health and fitness regimes remains to be seen. Let us get the experts to decide. I know Robert de Castella, who is here in the ACT. He is a wonderful advocate for this regime. He has been working successfully for years here and in other parts of Australia. I commend the Robert de Castella program to the government. There are other programs all around Australia, but I know that Robert de Castella’s works well.

I still support adopting 2010 as a target for halting the rise in obesity and adopting 2015 as the target for halving obesity in children. It can be done. Where there is a will, there is a way. We need the political will to make it happen. I call on the Prime Minister to exercise that political will.

Another area of action is No. 9 in the 10-point plan: frame new food-labelling regulations to outlaw claims such as 98 per cent
fat-free and help consumers tell at a glance which products are healthy. These claims need to be honest and truthful and they need to be designed in such a way as to help consumers tell at a glance which products are healthy and which are not.

Finally, No. 10 in the 10-point plan is to increase funding for participation in local sport and recreational activity. As I said earlier, regular exercise is part of the answer. If we can provide funding at different levels of government—federal, state and local—to encourage more physical activity, whether it be sport or recreational activity it does not really matter, then that is certainly the way to go. I note that the former government, the Howard government, did provide significant funding for research and development to the food sector for making products healthier and for research into this issue in general.

I also have a view that bariatric surgery and lap band surgery should be supported, not just from time to time by some hospitals across the country. It should be supported wherever possible in the public hospital system because it works. Some people are very dismissive of bariatric surgery and lap band surgery, but the facts do speak for themselves—res ipsa loquitur—and I would encourage anybody to look at the facts in terms of that. There are some risks involved, and that needs to be acknowledged, but it does provide a better health outcome for those who undergo such surgery.

I want to commend at this point the work of Professor Paul Zimmet, who is a leading expert from the International Diabetes Institute based in Melbourne. He has been a keynote speaker at many of my forums and will be a keynote speaker at my next forum on Friday, 22 August in Hobart. It is a great honour to have him speak at such a forum. He will be expressing his views and his concerns and also his suggestions on the way forward. Professor Jennie Brand-Miller from the University of Sydney, a former President of Nutrition Australia and author of many books and publications on the GI factor and nutrition activities, and Karena Brown, a childcare operator and an outstanding citizen from Burnie in Tasmania, will also be at the Hobart forum. The chief convenor will be Dr Michael Aizen, a former President of the AMA. He will be supported on the convening committee by Jenny Branch, who is President of the Tasmanian Parents and Friends Association; James Walker, a podiatrist from Hobart; and Chris Rennie, a rural health nurse in southern Tasmania. It is a great honour to be working with these wonderful Tasmanians to help combat the obesity epidemic. I do want to congratulate the Mercury newspaper for their leadership and their advocacy in tackling this issue. They do see it as a concern and they have taken it up as something that needs defeating. I say thank you and well done to the Mercury for what they are doing to make a difference.

In terms of Tasmania, Premier Bartlett should convene an urgent meeting with key stakeholders in that state to tackle the obesity epidemic because, sadly, Tasmania is the worst of the worst. We have a gold medal in Australia for being the fattest nation on earth, according to this report, and Tasmania has the highest rates of diabetes in Australia. On the north-west coast in particular we have the highest rates across the country, outside of our Indigenous communities, and we have amongst the highest rates of cardiovascular disease and certain cancers. So Tasmania does not have a good record. I would certainly call on Premier Bartlett to act and act swiftly. I thank the Senate.
propriation Bill (No. 2) 2008-2009. I do so because I do not think they adequately reflect the urgency of climate change. Tomorrow I will be lodging a petition with over 1,000 signatures collected by Women for Urgent Action on the Climate Crisis. That petition calls on the government to take 12 steps: (1) sign the Kyoto protocol and cooperate with UN initiatives; (2) set mandatory targets to effectively reduce emissions; (3) regulate for deep cuts in all sectors through energy efficiency; (4) provide incentives for a massive take-up in renewable energy; (5) halt public funding and tax benefits to fossil fuel and other polluting industries; (6) phase out coal-fired power stations; (7) protect native forests and vegetations as carbon sinks and tackle environmental repair; (8) accelerate national measures to return water use to sustainable levels of extraction and increase long-term water and food security for all; (9) provide incentives for efficient water use; and, finally, invest in public transport, not more freeways.

I have absolutely no doubt that these women speak for millions of others who want government action on reducing greenhouse gas emissions. Kyoto has certainly been ratified, but other action, including funding, is very slow and in some circumstances is taking us backwards. A week ago Australia’s key climate scientists met in Canberra, and their message is that the situation is dire. Humanity faces dangerous runaway climate change. Professor Barry Brook, Sir Hubert Wilkins, Dr Geoff Davies, Dr Andrew Glikson and Sebastian Clark, of the 2008 Manning Clark House conference Imagining the Real Life on a Greenhouse Earth, summarised the findings of that conference: global warming is accelerating, and the Arctic summer sea ice is expected to melt entirely within five years, decades earlier than predicted by the 2007 Intergovernment Panel on Climate Change fourth assessment report. Scientists judge the risks to humanity of dangerous climate warming to be high. The loss of the Great Barrier Reef now seems likely. Extreme weather events such as storm surges, adding to rising sea levels and threatening coastal cities, will become more frequent. There is a real danger that we will soon reach critical tipping points and that the future will be taken out of our hands. The melting Arctic sea ice could be the first such tipping point. Beyond two degrees of warming seems inevitable, unless greenhouse gas reduction targets are tightened. We risk huge human and societal costs and perhaps even the effective end of industrial civilisation.

We need to cease our assault on our own life support systems and those of millions of species. Global warming is one of many symptoms of that assault. Peak oil, global warming and long-term sustainability pressures all require that we reduce energy needs and switch to renewable energy sources. Many credible studies show that Australia can quickly and cost-effectively reduce greenhouse gas emissions by dramatic improvements in energy efficiency and by increasing our investment in solar, wind and other renewable sources.

The need for action is extremely urgent, and our window of opportunity for avoiding severe impacts is rapidly closing, yet the obstacles to change are not technical or economic; they are political and social. We know democratic societies have responded successfully to dire and immediate threats, as was demonstrated in World War II. This is the last call for an effective response to global warming. We cannot wait until 2020 for future technology that will rescue the coal industry by capturing carbon and pumping it underground. The sum of $500 million is being spent on so-called clean coal but, of the 34 coal-fired power stations in this country, 22 are older than 20 years, four are older
than 40 years, and the older they are the less able they are to capture carbon.

Large-scale solar concentrated technologies have not been made part of the Asia-Pacific partnership low-emissions technology study because, according to the response I received from the Minister for Climate Change and Water recently, there is insufficient publicly available data. The $500 million for commercialisation of renewable energy has to wait until the financial year 2009-10.

I want to argue tonight that we should not be waiting for more reports on what the economy can afford to do. But I get the feeling that this government would perhaps prefer to defer all of those decisions indefinitely. It was great that the government ratified Kyoto, and it may just scrape through our generous target by 2012, but other countries have already commenced emissions trading. Other countries have already lifted their renewable energy targets and have mandated energy efficiency. The Australian Greenhouse Office developed an emissions-trading framework almost a decade ago, and the previous government had one out for discussion. If reports are accurate, this government is seriously contemplating exemptions for coal-fired power and energy intensive industry, which would make the system totally worthless.

There have certainly been no moves on energy efficiency, despite the great scope that exists. Australia lags behind the rest of the world because our huge stocks of coal have made governments complacent. Coal and gas have been cheap because there has been no price on carbon, and they are stacked with government subsidies. Emissions from transport are huge and growing, yet transport economists are seriously still suggesting that we have more expensive road systems, tunnels, freeways and the like. The Prime Minister says he will put a blowtorch to OPEC so that they release more oil and, alarmingly, the Minister for Resources and Energy says that developing countries should now be showing constraint in their own oil demands. I really wonder how either the Prime Minister or the minister for energy can look at themselves in the mirror in the morning, having said such absurd things.

We have known for more than a decade that peak oil will increase prices as will, inevitably, carbon pricing but we have no energy efficiency standards for cars. We have the worst gas guzzlers coming into this country tax free. Rail is losing freight to road, even though it is 10 times more efficient. In these appropriations we do have a budget for reducing congestion. Let me tell you that nothing will reduce congestion like high petrol prices, but the problem is that that will strand people who live in the outer suburbs of our cities and in country areas who have no other choice than to use a car when it comes to going to work or to school. We have a national bike plan, which has only made the most modest progress in getting people onto their bikes to commute to work or to school every day. We have electric cars and motorbikes here, but the government has shown absolutely no interest in them, and indeed the new Camry hybrid props up that great but foolish Australian dream of everybody having a huge car.

Here in the parliament we have a pilot scheme with two Prius Comcars. What exactly is to be learned from a pilot for a car that we know uses less than half the amount of petrol of a car an equivalent size, let alone huge Holdens and Fords? If a handful of senators have legs that are too long or bums that are too wide, then let us switch over just half the fleet or 75 per cent of the fleet. Why we need a pilot to tell us that these cars are more fuel efficient I cannot imagine.
I say the same thing about Solar Cities: we do not need pilots to show us what to do. This, in my view, is a very old government trick: have a few cheap pilots underway and some people will think this is a genuine initiative that will be replicated more widely. I don’t think so. Pilot schemes typically do not get evaluated and they certainly do not get replicated, even when they are successful.

The government, as we know, has neutered the household PV system with means testing. The government said that that scheme was ‘heating up’. It was funding just over 500 grants every month. If that rate were to be kept up for the next 10 years then a mere one per cent of existing households would have PVs.

I remind the Senate that in 10 years time we will be getting very close to 2020, when we are supposed to have some sort of target, although I will come to that in a moment. What we do know about 2020 at the very least is that big percentage shifts are going to be required in emissions abatement. But without decent feed-in tariffs—and the government said nothing about that—photovoltaic systems will never get beyond that very low level of penetration. The government says it will increase the renewable energy target but not until next year. My question to the government is: why would you want to wait? The industry is ready to go because the previous low target was essentially met in 2006.

The last budget had nothing for public transport. A mere $192 million was provided for the national rail network and a massive $3.2 billion for roads. So rail gets a mere six per cent of total transport funding. Infrastructure Australia, as we know from when we dealt with the bill a few weeks ago, has no clear obligation to consider greenhouse in framing its advice on roads, buildings, power stations or any of the other major infrastructure in this country. So desalination projects are going up everywhere despite adding hugely to the demand for electricity.

The government has repeatedly rejected our efforts to put a greenhouse trigger into the Environment Protection and Biodiversity Conservation Act and to impose emissions standards on coal-fired power stations. So you can put up one of the worst polluters on the planet tomorrow. We resurrected Hazelwood—again, one of the worst polluters we have—and we have brown coal in Victoria.

The government says it has a target for 2050 but is reluctant to come out with one for 2020. I have often found this to be a completely ludicrous situation. For one thing, no-one currently in the parliament, let alone the government, will be around by 2050 to justify what is essentially an arbitrary and doubtlessly all-too-low target. Even if it is based on a two-degree warming from pre-industrial levels, catastrophic climate change and unpredictable feedback processes could take the planet to the brink of habitability. A target of 40 per cent below 1990 levels by 2020 is not only possible; it is essential, and the emissions trading must reflect that.

The Democrats over the years, and certainly in my time in this place, have put up dozens of bills and amendments on energy efficiency, renewable targets, triggers for the EPBC and power station emission standards. I have personally asked hundreds of questions in this place on greenhouse. I have made dozens of speeches. I have put up countless motions. I have initiated a major inquiry, and that was almost a decade ago. I negotiated $400 million in greenhouse abatement with the last government, as well as two extensions of the PV rebate system. The list goes on, including remote photovoltaic systems in rural communities that previously used diesel to generate their
power, the Green Vehicle Guide and many, many more.

I had to nag the government to actually use its own Green Vehicle Guide on the list of vehicles available to senators and members. I had to beg them to allow our offices to go onto green power. I often ask myself why this whole issue needs to be so difficult, why governments have to be dragged kicking and screaming even when the cost is miniscule. So I urge the government to act and to act quickly.

Greenpeace came to see me just the other day. They have prepared a very credible plan that they call Energy [r]evolution. That plan shows that making the necessary transformation in how we use energy is achievable and it provides a wealth of opportunities to stimulate economic growth and to ensure social stability. It shows how renewable energy could be 40 per cent of all electricity provided by 2020, that energy efficiency could cut energy consumption by 16 per cent, that coal-fired power could be phased out entirely by 2030, that waste heat could be captured and that electric, more fuel efficient cars could be on Australia’s roads, displacing petrol and diesel vehicles.

It can be done. The problems are political; they are not technological. They are about vested interests; they are not about the common good. The Greenpeace report finds that the 14,000 jobs that would be lost in the coal sector by phasing out coal altogether could be replaced easily by 26,000 new jobs in renewable energy and gas generation. I see today that the coal union has come out and urged the government not to delay the increase in the mandated renewable energy target. It makes sense—who would want to work in coal when the option could be renewables? I seek leave to table the Greenpeace report.

Leave granted.
enough. As Professor Tony Vinson has told us in his publication, *Dropping off the edge: the distribution of disadvantage in Australia*, some 1.7 per cent of postcodes around Australia account for more than seven times their share of the major factors that cause poverty and disadvantage. We know that about 100,000 Australians are homeless every night and one in four jobseekers have been out of work for five years or more. We find these facts both morally and economically unacceptable. We see other examples of our lack of social connection every single day: infants dying of neglect, pensioners dying in loneliness—and we know that is just not good enough. So it is all the more important that we develop policies that build social inclusiveness in our suburbs and communities, giving everyone the chance to engage and encouraging everyone to care.

The budget honours our election commitments with a significant focus on areas such as early childhood education, school retention, employment services, homelessness, literacy and numeracy and Indigenous health, education and employment. I will turn to the Working Families Support Package, which is such an important initiative. The Rudd government’s budget, as opposed to 11 years of coalition budgets, places Australian working families at its core. We want to help those families that are under pressure, at risk of not falling into social exclusion. So the budget’s $55 million Working Families Support Package will do exactly this, providing assistance to those Australians who are working hard but are finding it harder and harder to make ends meet. Personal income tax cuts in the budget are worth $46 billion over the next four years to ease pressures from rising costs, and we have brought in an education tax refund, worth $4.4 billion over four years, to help mums and dads with the rising cost of educating their children. And the $1.6 billion childcare tax rebate will help parents who are struggling to get their younger ones into affordable and accessible child care.

The government are intent on ensuring that we have measures to lift and enhance educational opportunities, because we recognise that these are crucial to achieving our social inclusion priorities. Schooling is the key to improving a child’s life chances and directly impacts on their employment opportunities, their financial independence and social inclusion. So this budget is the first instalment of the Rudd government’s ongoing work on the education revolution, an enormous investment of $19.3 billion delivering commitments for early childhood, schools, vocational education and training and higher education.

Through the government’s $2.1 billion digital education revolution, we are building tomorrow’s workforce through access to a world-class education. Round 1 of this digital revolution has seen 116,000 new computers for 896 secondary schools—and this is just the start, as we drive the computer-student ratio from one to eight, or worse, to a new national benchmark of one computer for every two students. We will improve school enrolment and attendance with a $17.6 million pilot program with our state and territory governments. Among our other budgetary investments are $520 million for universal access to preschool for all children in the year before formal school and $32.5 million for a home interaction program to help disadvantaged children prepare for school. The government is committing more than $577 million over four years to deliver a national action plan on literacy and numeracy, starting with those schools and students most in need of help. We recognise too that many Australian adults also lack literacy and numeracy skills, which is a major barrier to participation in Australian life, so in the last few days the Deputy Prime Minister has re-
leased an adult language literacy and numeracy skills discussion paper to address this important issue. Improving language, literacy and numeracy skills will play a key role in driving the Australian government’s social inclusion agenda, because equipping individuals with language and numeracy skills greatly improves their chances of engaging in broader training and work. Financial literacy is important, too, as we see so many families now under increased pressure from inflation and higher interest rates and from the mortgage stress that comes with that environment.

The 2008-09 budget also delivers on the Rudd government’s promise to establish trade training centres in secondary schools, upskilling Australia’s young people to ensure that they can play a part in the future of our economy. As well, we want to help the most disadvantaged Australians find work through a simpler, more effective, better targeted and modern employment services system—again, another critical social inclusion priority. The budget provides $3.7 billion over three years to deliver services to help job seekers find suitable employment, to drive efficiencies and to reduce waste. The fact is that if we are to make Australia’s future economic growth more sustainable we must bring back into the fold those people excluded from the workforce because of barriers like disability, poverty, mental illness, or drug and alcohol abuse. So the new employment services system will be rolled out from 2009 and will emphasise work readiness, giving every Australian the opportunity to reach their potential. The reforms will reduce administrative red tape for employment service providers, allowing them to spend more time delivering real outcomes for job seekers. Under the Howard government, the system was characterised by waste and inefficiency, and our new government, the Rudd government, has been able to find savings of $350 million by simply streamlining the system and making it much more accessible.

The government is also delivering a national mental health and disability employment strategy, which will be released later this year. The strategy is being developed in close consultation with consumers, peak bodies, employers, state and territory governments and experts. It aims to address the barriers faced by people with disability and those living with mental illness that make it harder for them to gain and keep work. It is quite a travesty to know that Australia is ranked 13 out of 16 OECD countries when it comes to the employment of people who receive disability benefits. We must do better, and the Rudd government will do better. We will further support the employment of people with disability by extending access to wage assessment tools for businesses in this budget at a cost of $25.7 million over four years.

Our Fresh Ideas for Work and Family program will support small businesses and increase workforce participation and productivity. Over three years the program will invest $12 million to encourage small businesses to implement practices that help employees balance their work and family obligations. And the 2008-09 budget will invest almost $50 million over four years to help migrants—another group at high risk of exclusion—gain the language skills needed to join the workforce.

The budget also addresses the issues of housing affordability and homelessness. Every single person in the Rudd Labor government, from the Prime Minister down, sees homelessness as one of the greatest social challenges facing Australia. Over the next four years the government will allocate spending of $2.2 billion to not only build new homes for the homeless but also put homeownership within the reach of more
Australians. We will build 600 new homes for the homeless, with a $100 million total investment over the next four years and another $50 million in the out years, 2012-13. The funds will be used for the construction of new accommodation, spot purchases or the renovation of suitable public housing properties.

The A Place To Call Home strategy will reduce the number of homeless people turned away from shelters each year and it will help them to break the cycle of moving in and out of homeless support services. We want to replace the revolving door with a place to call home. The government also understands the need to draw out fresh ideas and solutions to tackle homelessness in the long term. Our homelessness green paper, Which way home?, will inform the development of the first ever homelessness white paper, to be released in September this year. This white paper will lay down a national strategy to fight homelessness over the coming decade.

As rental prices rise, we recognise more families are at risk of losing the roof over their heads and falling into poverty and exclusion. The government will therefore create up to 50,000 new rental properties, through the new National Rental Affordability Scheme, at a cost of $622.6 million over the next four years. This scheme will increase the supply of affordable rental housing and reduce rental costs for low- to moderate-income households. On housing affordability, the budget includes a number of initiatives to give more Australians the opportunity to achieve that elusive Australian dream.

The Housing Affordability Fund will invest $359 million in this budget period, totalling $512 million over the next five years, to lower the cost of building new homes with an emphasis on proposals that improve the supply of new entry-level housing. The government is also establishing first home saver accounts to help people save for their first home in which to live. The accounts will provide a simple, tax-effective way for Australians to save for their first home through a combination of a government contribution and lower taxes. The government is providing $1.2 billion over four years to deliver on this important election commitment.

The budget also delivers for Indigenous communities. Tragically, we know Indigenous Australians are some of the most at risk of social exclusion. The Prime Minister’s national apology, which turned a new page in our history, was far more than words. We are committed to our targets of closing the gap between Indigenous and non-Indigenous Australians. Those targets are: closing the 17-year life expectancy gap within a generation; halving the mortality gap for children under five; closing the gap in literacy and numeracy achievement within a decade; halving the gap in employment outcomes; and halving the gap in Year 12 retention by 2020—ambitious targets but targets we believe we can deliver. The Rudd government is delivering $1.2 billion over five years, including 37 measures in the budget, towards these targets.

One year on from the Northern Territory intervention, we are spending $666 million in the Northern Territory on initiatives, including early childhood development services, expanded education opportunities, community safety and policing, welfare reform, and health services. Across Australia, $554 million has been allocated to building better literacy and numeracy programs; improving child and maternity services; strengthening Indigenous drug and alcohol services; fostering improved Indigenous early development and learning; establishing an Indigenous Mothers Accommodation Fund; addressing the drivers of Indigenous
chronic disease such as tobacco; and building a stronger Indigenous health workforce. These are some of the measures—and all are essential—if we are to make a real difference in the lives of Aboriginal and Torres Strait Islander people.

Our social inclusion agenda forces the government to realise that promoting economic participation, reducing welfare dependency and developing partnerships based on mutual respect and responsibility are critical to tackling Indigenous disadvantage. Closing the gap between Indigenous and non-Indigenous Australians requires more than just extra resources; it involves developing the right policy settings and effective solutions for achieving long-term change. The Council of Australian Governments has adopted the Commonwealth’s targets and established a working group on Indigenous reform to develop a detailed work plan for meeting the targets.

The government is committed to supporting our carers and older Australians as well. The nation’s carers and older Australians are also an important focus of the social inclusion agenda, and our budget includes a number of initiatives to ensure they can make ends meet. As of last week, 430,000 carers and 2.7 million senior Australians started to receive more than $1.8 billion in bonuses from the Australian government. Pensioners will receive a $500 bonus; recipients of carer payment and certain veteran care pensions will receive $1,000. Carer allowance recipients will also be paid $600 for every eligible care receiver and, where possible, these will be made directly into bank accounts. Eligible seniors and carers are also receiving the $125 June quarter utilities allowance payment. This is their second instalment of the utilities allowance which, under this government, has gone up to $500 per year—a permanent increase. This is also the first year that carers will be receiving the utilities allowance. This is all about relieving some of the pressure for carers, and the government will continue examining ways of providing them with greater security.

Older Australians will also benefit from several other budgetary measures, including national transport concessions, free internet kiosks and portability of concession cards when travelling interstate and overseas. However, we appreciate that many seniors remain under financial pressure, and that is why, apart from our budget initiatives, the current tax review will examine how Australia’s social support system, including that for older Australians, provides for their future economic security.

We are supporting our volunteers. Australia’s volunteers are the lifeblood of our not-for-profit sector, and therefore are an integral part of the social inclusion agenda. The nation’s 5.1 million volunteers are out there every day, at the sharp end of service delivery, changing the lives of disadvantaged Australians. Where disadvantage divides communities, volunteering unites us, and the Rudd government will continue to sponsor and support volunteering efforts.

The budget provides for the government’s new and expanded $64 million Volunteer Grants Program, providing assistance to an extra 6,000 not-for-profit organisations to help volunteers, for the first time, pay for their petrol. The program will also help not-for-profit organisations buy important equipment and facilities. We are also extending funding for voluntary resource centres across Australia with a $5 million budget allocation so that these centres continue to provide support and training for our volunteers.

I believe this budget truly strikes the right balance between delivering for families and investing in the future. Through investments in this important budget, as well as the Aus-
tralian social inclusion board, the social inclusion committee of cabinet and the social inclusion unit that we have established in the centre of government in the Department of the Prime Minister and Cabinet, we are delivering coordinated reforms and innovative programs that will make a real difference in the lives of disadvantaged Australians.

Senator BERNARDI (South Australia) (8.26 pm)—In rising to speak about these appropriation bills, I have a few comments to make with regard to the shameless pork-barrelling that this government has undertaken. It is, quite frankly, embarrassing what this government has done. This government has very clearly made a range of election promises, some of which have been funded in this budget but most of which it is clearly trying to hide not only from the Senate but also from the accountability and scrutiny of the Australian people.

Why do I say this? Let me take you back a few steps. It is a painful and excruciating story about a government that is clearly trying to hide something. It is time for the Labor Party to come clean about what they promised and with delivery on their promises to this place. But, no, they will not do that; they will not fess up that they have rolled out the biggest pork barrel in the history of this country. They will not fess up to that; they will not fess up that the prince of pork is now the Prime Minister of this country, who has bought his way into an election.

Let me begin. On 16 March the Minister for Youth and Sport, Ms Kate Ellis, went on a television show called *Offsiders* boasting that over 100 election commitments had been made to upgrade community sporting facilities by the Labor government. A boastful claim. Very proud of that was Ms Ellis on the *Offsiders* program. So, on 17 March, because I was interested in what these election promises were, I approached the Senate leader, Senator Evans, to let him know that the following day I was going to request some further information on this material. On 18 March, I asked a question without notice in this place. Although I say it was without notice, I had been through the courtesy to notify Senator Evans, who assured me of his full cooperation.

The end of this process was that, despite repeated assurances and email conversations and promises from Senator Evans’s office that they were waiting for the minister to get back to them, on 13 May I was advised that the answer to my question would be tabled the following day. So what did we receive? My request, remember, was about the more than 100 sports projects. I wanted to know what they were, when they were announced and in what electorates they were based. I received a list of 15; only 15. But I did receive an acknowledgement that over $100 million was committed by the Labor Party during the election campaign for these commitments. My question, a very reasonable question, one that any regular person would ask is: why provide only 15 if you have promised over 100? Surely, you must have a list of them—but apparently not, because there were only 15 identified.

When the budget came out $20 million was identified and it had a line item for 91 projects. Of those 91 projects, only five were clearly identified in the budget papers. What about the other 86? Why won’t the Labor Party come clean with this? We had a lot of deceptive answers, a lot of misleading suggestions, that these things were going to be rolled out over time and would become apparent. Why won’t they table them now? The stench of rotting pork barrel is overpowering. Minister Ellis is the hapless fall guy for these grubby promises they made during an election campaign in the hope of snaring an election win, and they did snare an election win. Not many people in this place would be
stronger supporters of sport and more com-
mited to seeing a great sporting future for
this country and great participation than me,
with the possible exception of Senator
Kemp. But the simple fact is: the Labor Party
are not coming clean on very straightforward
questions.

We have been told there are over $100
million worth of commitments, but they have
only identified 15 of them so far. On 16 June,
only last week, quite extraordinarily, Minis-
ter Ellis told the House of Representatives
Main Committee that she is:

… tremendously proud that we have delivered
upon these commitments …

What commitments? She does not even
know what they are. If she does know what
they are, she will not tell anyone. It is a snow
job on the Australian public, showing a great
deal of contempt for processes and the ac-
countability that Mr Rudd so strongly prom-
ised. Minister Ellis is tremendously proud
that she has delivered upon all of her com-
mitments, even though she does not know
what they are. These are the same commit-
ments that she is unable or unwilling to pro-
vide. She also said:

All of this funding came up after local commu-
nities, advocates or representatives made the case
for new facilities or facility upgrades in different
areas.

Well, I have evidence to the contrary. I have
had any number of people contact me saying,
‘We didn’t know anything about it and our
club’s been given a whole chunk of money.’
It has not gone through the normal scrutiny
and the normal process. The pork barrel has
been rolled out in marginal electorates,
 promises have been made, and yet now the
Labor Party does not want to fess up and tell
us what they are.

On 17 June, after reading about how Min-
ister Ellis promised she had delivered on all
her commitments, I moved a motion in this
place asking for a list of commitments made
by the government during the election pe-
riod, with their recipients, locations and
amounts, because Minister Ellis had told us
she had delivered on them all. What a furphy
that was—an absolutely furphy. The due date
for the tabling of the document was today.

We received it today. It was tabled before 5
pm, as requested. What did we receive—can
you imagine? We expected a list of 100
commitments, at the very least. The minister
had told us she had delivered on all her elec-
tion commitments and there were more than
100 of them. Unfortunately, we only re-
ceived a list of 35. These included the 15 that
we had had before, so we received an an-
nouncement of 20 new commitments—20
out of over 100.

Just how sloppy are the government? Just
how untidy are they? We know who is run-
ing the government: it is the two juniors in
Mr Rudd’s office, dictating what the minis-
ters do. We have read about that in the paper.
How untidy and sloppy are they? Let me tell
you how bad they are. In the list of commit-
ments that we were given today, we were
told that the contribution for the Penrith Val-
ley sports hub in New South Wales was
$250,000—you signed your name to that,
Senator Evans. And yet, strangely, in the
budget papers—one of the few disclosures in
there about this pork-barrelling—it says:
‘Penrith Valley sports hub contribution: $5
million.’ What happened to the $4.75 mil-
lion?

This is the sloppiest work of a sloppy, un-
tidy government. All members of it should
be ashamed of themselves. I know that they
are embarrassed. I can tell the embarrass-
ment is creeping out, because I see them
hang their heads. They put on a brave face on
occasion, but this is very grubby senior level
pork-barrelling. This is the largest pork bar-
rel we have ever seen. This government do
not even know what their election commit-

ments are; they know they have made a lot of them. They cannot even produce an accurate list. After being requested by this Senate, they provide us with a snow job and a con job by saying that $250,000 was put into a project when they allocated $5 million in their budget. They cannot even get that right. How can the Australian people trust them with anything else? Where are the other 65 projects?

But it does not stop there; it gets worse. In the list that Senator Evans tabled in this place today through Senator Faulkner—it had your signature on it, Senator Evans—there was no mention of the Traralgon West Sports Complex, for which a grant worth $160,000 was announced on 20 June. They cannot even get that right. They are throwing money out and they cannot advise the Senate. There is something really smelly here. The stench is overwhelming. There is clearly something that the government are trying to hide. But we keep digging because we know that there is more to find, and we will continue to dig; we will not let them off the hook, because the Australian people need to know just what are they allocating money to. They need to know and we deserve to know. You do not even know at this point. The government do not understand.

Despite hiding as much as they possibly can from the coalition and the Australian public, when Minister Ellis is pressed to provide an answer because a journalist is sniffing around because they can smell the stench of rotting pork barrel as well as anybody, a slightly more complete answer comes along. This is what a journalist was told—not the Senate, not any accountable body, but a journalist: 95 projects, valued at $46.8 million have been allocated through the Health and Ageing portfolio and a further 32 projects, valued at $71.6 million, through the Department of Infrastructure, Transport, Regional Development and Local Government. In total, there were 127 projects valued at $118.1 million. They also included—helpfully, of course—a further allocation of funds, before the election, which made a total of $167.8 million allocated for pork-barrelling. And they will not fess up where they are.

This sloppiness, this contempt, beggars belief. It is embarrassing for any government, and this is a government that went to an election saying, ‘We are going to be open and accountable. We are going to be delivering on our election promises, even though we do not exactly know what they are.’ I ask members of the government: why won’t you come clean? Are you so incompetent that you are unable to compile a simple list of election promises? I think you guys need to get the story straight, because the minister has said that you have delivered on your election commitments. But you are unable to provide a list of them. There is no proof about what is going to transpire here. This is clearly a government in disarray. It goes right to the very top, because we know that everything that happens in this government leads directly to the office of the prince of pork, Mr Kevin Rudd, the Prime Minister himself. This is the largest pork barrel we have ever seen in the history of this country. It is an embarrassment and it is an indictment of the processes of this Senate.

When the budget of the entire sports system in this country is something over $240 million and a $167.8 million pork barrel is rolled out, with no accountability, without the government coming clean, it says that something is really wrong. Something is rotten in the burrow that is the Labor government. They have never been able to be good economic managers. They have never been about coming clean for the Australian people. One previous Labor Treasurer gave us the recession that we had to have. He said, ‘This is the budget that is going to bring home the bacon.’ Let me tell you: this is a
budget that has more bacon, in the form of giant pork barrels, than any we have ever seen.

Senator FIERRAVANTI-WELLS (New South Wales) (8.40 pm)—Of course, Senator Bernardi, there was another Prime Minister who knew a lot about pork as well, and a famous piggery—

Senator Marshall—You can say that! You know him well!

Senator FIERRAVANTI-WELLS—No, I don’t. I think you know him much better than I do, Senator Marshall. Tonight, I rise to look back at some of the ‘highlights’ of the last seven months of the Rudd regime. I would like to start by looking at the so-called 10 employment standards which were delivered on the very day when the Belinda Neal affair was due to be scrutinised by the House. Of course, Labor preaches about workers’ rights—so what about the rights of the workers at Iguana Joe’s? This sad and very sorry affair shows just how some in the Labor Party really feel about workers’ rights. You only had to see A Current Affair this evening, where we witnessed another chapter in this very disgraceful affair. We will just hold our breath and see what Prime Minister Rudd will do about this matter now.

Workers’ rights were a feature of Senate estimates hearings recently. The 24/7 attitude of the Prime Minister has been foisted on our Public Service. Instead of respecting the work of our public servants, the Prime Minister has shown his contempt by criticising them for not working hard enough. Having spent 20 years with the Australian Government Solicitor, I saw firsthand just how hard our Public Service works. The Prime Minister’s attitude in criticising hardworking public servants is, in my view, contemptible. The paranoia of the Prime Minister with the 24-hour media cycle, so graphically described for us in the weekend press, was vividly exemplified by the Fuelwatch legislation. Treasury staff worked through the night—37 hours straight—to get this legislation drafted and prepared for tabling. The indecent haste meant that the legislation was not even tabled in its proper booklet form. So much for balancing family and work life. This is Labor hypocrisy at its worst.

Getting back to the 10 employment standards, Labor mouth platitudes about working families but refuse to give an undertaking that no worker will be worse off. This mantra is always on their lips—to the exclusion of pensioners, seniors, carers and others—and this mantra has not stopped the Rudd government budget forecast of 134,000 job losses within the next 12 months. What about those working families whose breadwinner will lose his or her job? Where is the concern for the 134,000 who will lose their jobs in the next 12 months? This is the product of the government’s industrial relations reforms—the payback to the unions.

Deputy Prime Minister Gillard has confirmed on numerous occasions that she has done no economic analysis of the Rudd government’s industrial relations laws and their impact on job losses. Glenn Milne described the secret union pact with the Rudd government in the Sunday Telegraph of 23 March. There they all were, the union heavyweights, at the official Australia Day function at the Lodge. As Glenn Milne wrote:

A leaked union strategy document marked ‘confidential’ reveals … ‘strong support’ from Mr Rudd … for new industrial relations arrangements that will drive up inflation.

Of course, the unions want payback for their $30 million investment in the anti-Howard government campaign and the more than $50 million that they have contributed to Labor coffers since 1996. And we now have a government where power is concentrated in the Prime Minister’s office and chaos has en-
sued, with the February draft charter letters still in the Prime Minister’s in-tray, with ministers flying blind, with Senator Faulkner amassing a wealth of ministerial responsibilities as the Prime Minister seeks to take policy control away from portfolio ministers. And all this is at a time when the Rudd government has stripped $1 billion from the Department of Agriculture, Fisheries and Forestry in 2008-09, with rural and regional Australians to suffer as a result, and spent $2 million on a 2020 summit instead of worrying about the here and now. During Senate estimates we saw the rather dubious contracts that were awarded in jobs for the boys and girls. At a time when its green credentials were in tatters, the Rudd government was prepared to pay a $530,000 bill for the Bali climate change junket in December but not to continue highly successful Howard government programs like solar panels, community and water grants.

We had Senator Allison come in earlier bemoaning the various broken promises made by the Rudd government. Senator Allison, you should have thought about that before you gave them your preferences. Medibank Private has revealed that it alone expects to lose up to 290,000 members as a result of Labor’s foolish, ideologically driven Medicare surcharge changes, which, as my colleague Senator Cormann so ably elicited in Senate estimates, will result in crippling even further our public hospital system. No concern is being shown for the impact on community groups of attempting to abandon hundreds of the former government’s Regional Partnerships commitments.

The Rudd government has been shown to be all about spin over substance. It is about pressing forward with bad policy, often in the absence of, or in spite of, proper modelling and evidence from its own departments. Treasury confirmed that the government did not consult with the Department of Health and Ageing about the ready-to-drink tax, confirming it is purely a revenue-raising measure, implemented with no consideration of the health implications. The Rudd government did not ask either Treasury or the Department of Health and Ageing to model, cost or in any way assess the impact of the Medicare levy surcharge change on our already overloaded public hospital system. The government did not consult with the states and territories about the changes and the burden that they would place on the public health system.

We have the expose of the government’s incompetence in relation to Fuelwatch. There was no urgency for this measure, but it was rushed in when the Rudd government hit turbulence with rising petrol prices. Then there is the computers in schools program. What a sham, with departmental officials unsure of the delivery of the computers or the costs to schools, with the budget for the program significantly underfunded. We now have a case where even the ABC is complaining, about bullying of its journalists. And Jeeves, the Prime Minister’s butler, is having a very hard time cleaning up the mess!

All this reveals an alarming incidence of maladministration, a stubborn refusal to seek advice and, in short, a government in disarray. All this, and so very much more, and we are only seven months into this government.

Senator Bushby—Very scary.

Senator FIERRAVANTI-WELLS—That is right, Senator Bushby; very scary indeed. The government has been shown up for what it is: all spin and no substance. The Australian public have been sold a real dud.

Senator LUNDY (Australian Capital Territory) (8.49 pm)—It is my privilege to speak this evening on the Appropriation Bill (No. 1) 2008-2009 and the related bills. This is a historic first budget for the Rudd Labor
government, the first federal Labor budget in over a decade. The budget is a very significant achievement. It is an economically responsible budget that invests in the future while meeting all of our election commitments. When I cast my mind back over the last 12 or so years, I remember the first budget of the Howard-Costello government, an infamous budget that introduced the shameful concept of core and, as we remember well, non-core promises. It was a budget that introduced deceit and trickery of a new order to Australian politics back in 1996 and set the scene for a government that would say or do anything to hold on to office.

This budget, unlike those of the past decade, is designed to meet the challenges of the future and strengthen Australia’s economic foundations. But, perhaps even more importantly, this budget keeps faith with our commitments to the Australian people. We have fulfilled our election commitments and ensured that every single dollar of new spending is more than offset by savings. Citizens need to be able to rely on governments keeping their word and honouring their promises. Over the years, under the Howard-Costello government, there has been an erosion of trust. Mr Howard’s tricky division of election promises into core and non-core promises helped fuel voter cynicism and alienation from the democratic process. It is important that this budget is keeping Labor’s election promises and, in doing so, helping to build trust and confidence in Australia’s political process and institutions.

When the Labor government came to office in November last year, Australia was facing the highest levels of domestic inflation in over 16 years. It is often said that the Howard-Costello government were asleep at the wheel, allowing the inflation bogey to creep up on them. The truth is that they were more like a drunken sailor, binging on shore leave, ignoring the warnings of responsible commentators and spending the taxpayers’ hard-earned dollars on election bribes as though there were no tomorrow. For over a decade, government spending was not directed to the major infrastructure challenges or to boosting the productive capacity of our economy. A surge in revenues year after year and handouts before every election was the character of that government. Over the last three years, the Reserve Bank of Australia warned on more than 20 separate occasions that skill shortages and capacity constraints were threatening growth and contributing to inflation. The Howard-Costello government ignored the inflation problem that they had created and neglected the long-term needs of this country.

Therefore, I am particularly pleased that the first Labor government budget in over 11 years has started a new era of responsible, long-term economic management. The Rudd Labor government has delivered a budget surplus of 1.8 per cent of GDP and we have offset every new spending initiative with savings measures—a discipline that the previous government neglected. As a consequence, this budget puts downward pressure on inflation and interest rates. Twelve interest rate rises in a row have hammered home-buyers and small businesses and it has to stop.

The budget has produced a record surplus, so the government is playing its part. It is an economically responsible budget that also supports working families. The education tax refund will allow parents entitled to family tax benefit A or whose children receive the youth allowance or similar payments to claim a 50 per cent tax refund of up to $750 in educational expenses for each child in primary school—that equates to a refund of $375—or a 50 per cent tax refund of up to $1,500 in expenses for each student in secondary school, a rebate that equates to $750 per child per year. These are significant
amounts of money for people who have children in school and that is why the education tax refund initiative will be welcomed by people throughout Australia. For families with two school-age children this new arrangement could mean a maximum family benefit of $14,200 over their full school life. For families with three kids it could mean up to $21,000 worth of benefit for those families over the full school period. This is a significant benefit for many working families, particularly those who are doing it tough.

I am proud to say that the budget will provide $491 million for the Teen Dental Plan. Eligible families will be able to claim up to $150 per year for a preventative dental check for each of their teenage children, making it far more affordable for families to access dental services. The Medicare levy surcharge will also provide significant relief for many people. Under the budget, from 1 July this year singles with incomes of up to $100,000 and families with incomes of up to $150,000 will no longer be subject to the Medicare levy surcharge if they do not take out private health insurance. This simply restores the thresholds effectively to the position that they were in when the levy and the surcharge were initially introduced back in 1997. The opposition should be ashamed of itself for not supporting this part of the government’s budget and for playing short-term politics by referring this initiative to a committee. The opposition does not need information on this measure, nor does it need time to reflect on its impacts. That is what Senate estimates were for. The government has been fully transparent, and the opposition well understands that we are restoring the thresholds as they applied when the surcharge was introduced by the opposition when they were in government. The opposition is merely seeking to delay and frustrate the will of the democratically elected government. This shows the opposition’s wilful contempt for the Australian people and the processes of parliament.

The digital education revolution is at the heart of the Rudd government’s commitment to equip Australian students with the skills they need to live, work and succeed in an increasingly digital world. At the core of the digital education revolution is $1.2 billion of new funding to provide Australian secondary schools with world-class information and communication technology. I for one am particularly proud of this measure, having long been an advocate of the role that ICT increasingly plays in our lives. The new funding includes grants of up to $1 million per school to provide new or upgraded ICT for students in years 9 to 12, through the National Secondary School Computer Fund, and a $100 million commitment to support the deployment of fibre connections to Australian schools, delivering broadband speeds of up to 100 megabits per second. Other elements of the digital education revolution include $32.6 million to supply students and teachers across Australia with online curriculum tools and resources for specialist subjects such as languages; the development of online learning and access, which will enable parents to participate in their child’s education; and $10 million to develop support mechanisms for schools in the deployment of ICT provided through the National Secondary School Computer Fund. I am very pleased that 23 secondary schools in the ACT, my constituency, will receive funding for new school computers as part of the Rudd Labor government’s $1.2 billion digital education revolution.

I congratulate those schools in the ACT that were successful in attracting funding for new computers in the first round of funding announced over the past few weeks. The allocation of the first round of funding from the National Secondary School Computer Fund delivers on yet another Rudd govern-
ment election commitment. This is an economically responsible budget that builds for the future and helps working families who are in need. No more do you see that this budget delivers for the future than when you look at the initiatives relating to ICT. Those initiatives are about building capacity, strengthening our education system and making sure that our kids are learning the skills that they require for the future. All of that is good for our economy and our efforts to resolve the existing skills shortage.

The Rudd government’s first budget delivers for the people of Canberra as well. As I said, the ACT is my constituency and there are a couple of initiatives that I want to mention. One point five million dollars has been allocated to secure water for the Australian National Botanic Gardens. This funding is part of the government’s $254.8 million National Water Security Plan for Towns and Cities. The government will provide $500,000 in 2009-10 to the ACT government to assist with the restoration of the Albert Hall. Albert Hall has a significant place in Australia’s history, and indeed Canberra’s history. The first citizenship ceremony was in fact held in that wonderful building. Albert Hall sits very close to the Parliamentary Triangle. Those of you who are familiar with Canberra outside of this place will know that it is just down the road to the left of the Commonwealth Bridge on the approach. The government has also met its commitment on upgrading the King’s Highway, as part of the government’s AusLink commitment.

Universities in the ACT will receive over $34 million of capital funding from the Rudd government. This includes $24 million for ANU, $4.7 million for the University of Canberra and $5.9 million for the Australian Catholic University. This funding is part of an extra $500 million to Australian universities to help them rebuild their infrastructure—infrastructure, I might add, that degraded over the period of the Howard-Costello government. Its lack of investment in higher education is now established as part of its legacy of neglect of this country.

Canberra remains one of the most expensive places in Australia for child care. I am concerned that high childcare costs may lead to parents, particularly mothers but fathers too, having to leave the workforce because they just cannot afford child care. The Rudd government recognises the financial burdens placed on working families and will lift the child care tax rebate from 30 per cent to 50 per cent to help parents meet the costs of child care. These changes will come into effect on 1 July 2008. The government will also invest $114.5 million over four years to build more childcare centres and $22.2 million to develop new national quality standards for child care. All of these initiatives are important for working families, particularly families who are contemplating having children but are afraid of the financial burden that will place on their family. For many young people, the prospect of managing a mortgage and affording child care is very daunting indeed.

The inflation problem we inherited from the Howard-Costello government has required the Rudd government to make some hard decisions. We have had to make offsetting savings to pay for new policy and cut back on staffing in some agencies. I am happy to say that, to its credit, the government has listened to the ACT community and has been very careful to manage the effect of budget decisions on the Public Service. Budget cutbacks have been spread across many agencies that have also received funds for new measures. The budget papers show that average staffing levels are expected to decline by less than 0.5 per cent. This is a net figure that includes the effects of all the budget decisions, changes in workload and the effect of terminating programs and in-
cludes agencies that are growing as well as agencies that are declining.

The government has done everything it can to ensure that staffing reductions can be managed without forced redundancies. The government has also put in place a whole-of-government career transition program to help manage the staffing changes in a way that ensures we retain our high-quality public servants. The Public Service Commissioner issued eight principles to guide agencies in managing any staffing reductions and changes. These principles include commitments to maintaining expenditure on training and development and the employment of minority groups. This will protect the future capacity of the Public Service. In particular I commend the Special Minister of State, the Minister for Finance and Deregulation and the Public Service Commissioner and her staff for their work in putting together this program.

The Rudd government’s careful approach contrasts with the crude ideological approach to the public sector under the Howard government. The Howard government abused the Public Service and undermined its institutional integrity through a combination of fear, institutional reforms—or claimed reforms—and blatant political jobbery. The Howard cabinet developed a cynical and opportunistic approach to government, reflected in its history of boom-and-bust staff cuts and recruitment programs. In its early budgets, the Howard government terminated programs, privatised and outsourced functions and cut back on activity levels. In its first years there were substantial across-the-board job reductions throughout the Australian Public Service, with over 30,000 staff made redundant. This cost $300 million in redundancy payouts by the end of the government’s first year in office. Over the following years, many of these staff were subsequently re-employed as expensive consultants and contractors as the Howard government realised that its cuts had been too crude and that it required the skills and expertise that it had cut out of the Public Service so unthinkingly.

The Rudd government, by contrast, values the importance of a professional, impartial Public Service and will be working to restore the values of the Westminster tradition to the Australian Public Service. The Rudd government has ambitious policy goals and a determination to deliver on its commitments to the Australian people. We are looking forward to working with the Public Service in delivering better outcomes for all Australians.

This budget provides a first instalment on our commitment to govern in a responsible and forward-looking way for all Australians. The emphasis on forward thinking, the use of technologies, reducing inflation and investing in infrastructure augur well for Australia’s long-term economic future. I commend the budget to the Senate and look forward to working very hard as a member of the Rudd government in meeting the substantial challenges of the future.

Senator BARLETT (Queensland) (9.04 pm)—I would like to address issues of the immigration component of the Appropriation Bill (No. 1) 2008-2009 and related bills and of the new Labor government’s budget and policies more broadly. As senators may know, I have been the spokesperson for the Australian Democrats in this area for over 10 years. It has been a source of some frustration to me that we have had enormous political controversy around the immigration area and that the vast amount of that has focused on asylum seekers; in fact, on a subset of asylum seekers colloquially known as ‘boat people’. At its peak, 4,000 people arrived in one year; in most cases, there were far fewer than that. Of all the people arriving in Aus-
tralia on any sort of residence visa, the proportion would be lucky to be one per cent, yet we have had 99 per cent of the political debate, public focus and media attention on this tiny proportion of people who engage the Migration Act in regard to potential residence. Of course, there are very important issues that arise with regard to asylum seekers. I do not dispute that. But it does mean that the enormous, incredibly important role that migration as a whole plays in the future of Australia is almost ignored.

It is to me both a shame and a real problem, because it is an important area of policy and it is a very complex area of policy. Minister Evans, who is in the chamber at the moment, is no doubt all too aware of this these days, having taken on the portfolio in the last six or seven months since the election. But it is absolutely vital to the future of Australia and it is vital to the present moment of Australia and the functioning of our economy. It is crucial in a social way. It presents environmental challenges, but certainly not challenges that cannot be overcome with good planning, yet it gets very little substantial policy attention and public debate compared to the significance that it plays in its impact on our nation.

It has been pleasing to see some of the changes that have come into play in the refugee area since the government came into office, and I hope to see more changes of a positive nature in the coming months and years. Again, I think it is important that we focus more on the wider issue of the migration program proper, because asylum seekers and refugees in general, particularly people who arrive here seeking asylum, are not part of our migration program. And, whilst also important and fairly sizeable, the humanitarian refugee offshore program is again seen as separate and distinct from the migration program. It is still quite a small proportion—less than 10 per cent. I have been interested to see a number of statements, both by the Minister for Immigration and Citizenship, Senator Evans, and also, to a slightly lesser extent, by the Prime Minister, in regard to the expansion of the migration program as a whole. It is in that area that I think it is important to examine both the measures contained in the budget and also some of the broader policy issues that underpin them.

It is worth looking at just the figures very briefly. If we look at the figures from the Howard government era, from 1996-97 through to 2006-07, we had quite a substantial increase in the rate of net overseas migration—that is, the number of permanent and long-term arrivals minus the number of permanent and long-term departures. In the 2006-07 financial year, it rose to a level of almost 178,000. This was one of the rare occasions when the net migration intake contributed more than half of our population growth in that particular year, so in that year it was a significant part of the population growth of Australia—a majority part.

The other key factor in this in many ways happened without a lot of attention over the life of the Howard government. There was a dramatic increase in the number of long-term temporary migrants. There are a lot of different uses of terminology in this area and it can often cause different understandings about what is happening, but in general terms long-term arrivals are counted as migrants even though they are not necessarily automatically going to be permanent residents, although many of them end up that way. The number of people coming as long-term arrivals was as high as 373,000 in the financial year 2006-07. That is far above the number of people who arrived as permanent residents, which is what people generally think of when they think of migrants—people who come to settle as permanent arrivals.
But the number of long-term temporary arrivals was far greater. That change has happened only in the last 10 years. And the size of the difference between the long-term temporary and the permanent arrivals has increased more and more, particularly in the last few years. This is, in part, to do with the massive increase in the number of people arriving here on student visas—I think it was well over 200,000 arriving on student visas in that financial year. There were also very large numbers—increasing numbers—in what is known as the 457 visa category. Broadly speaking, this is the category of people who come here for work related purposes on skilled visas. But very large numbers also come here on working holiday type visas. Some of those are for up to two years and many others for one year.

I think it is a very positive development to have such a large migration intake, if we have adequate planning in place for the numbers of people who come and for what they do when they get here. It is understandable that there is concern about the impact of a large migration intake on things like infrastructure, housing and the environment. That presents a planning challenge, but it does not present a reason in my view to simply dramatically reduce the numbers of people who come here. There are differing views, but the evidence is very strong that there is a clear economic benefit to Australia from the significant migrant intake that we have at the moment. There is no doubt that the large numbers of overseas students, for example—200,000 plus—are a significant benefit to the Australian economy. It is an enormous export industry, in effect, for Australia, as is the working holiday visa program.

There are obvious economic benefits to Australia from the very large numbers of people—well over 100,000—who come here on both temporary long-term and permanent visas, filling the skill shortages. It would be absolute economic catastrophe for Australia if we did not have those people come here to fill those skills shortages. One of the things that is being recognised, and which I have seen signalled to some extent in recent times, is that it is not simply a matter of skill shortages in particular areas; it is actually in part—certainly in some areas of Australia—a straight out labour shortage. This is moving beyond the skills category to semi-skilled and even unskilled labour in particular parts of the country. It is really welcome to see calls for a genuine wide-ranging debate on these issues.

There were measures in the budget, to some extent, providing both funds for expansion and migration intake in some areas—a welcome but still small increase in the humanitarian intake—and also some extra resources towards settlement support and other sorts of issues like that. Just last Friday, on World Refugee Day, I heard the minister, Senator Evans, note that he had received some mild criticisms about overemphasising the economic contributions that refugees make and talking too much about migrants as though they are nothing but economic units, to paraphrase what he said at the time—as though they were just cogs in a machine. I think it is valid to make sure that we do not overplay that. It was one of the things I thought the previous government overplayed when they dramatically reduced family intake and increased the skilled and business migration intakes. One of the justifications they gave for dropping the family intake was that it cost too much money. I think that played too much into what is a misleading and an inaccurate stereotype, that migrants are a drain on the economy. Overall, migrants are a boost to the economy. That does not mean that every single one of them individually is a boost, but as a whole they are a boost to the economy.
Senator Chris Evans—Recognised in the budget for the first time.

Senator BARTLETT—I note that interjection from Senator Evans. And it is true with regard to the humanitarian intake as well. I think it is worth making that point. One of the downsides of the debate that we did have about refugees and asylum seekers, apart from all the blatant, disgraceful vilification, was this suggestion that it was a drain on the economy. Sure, there are costs; I do not dispute that. But there is a cost every time a person has a child. People chew up resources, and children chew up a lot of resources, as any parent knows—as society should know, with the cost of educating and schooling any child. But any suggestion that we should stop people having children because they cost too much to educate would be rightly laughed out of the arena. To use such crude arguments against having migrants or refugees coming here is just as ludicrous. Of course there are costs, and of course we need to take those into account and assess them all, and look at the wider economic, social infrastructure and environmental issues that come into play. But to simply make blatant statements and say they are a cost is ludicrous. The minister was right in emphasising that even the humanitarian intake, where people can have significant issues in relation to overcoming past trauma, English issues, major social dislocation issues, family separation issues and settlement issues, in general costs money; but it is an investment, in the same way education is an investment.

To me this comes to a core point. One of the aspects of the significant increase in the proportion of our migration intake that are coming as long-term temporary migrants is that our settlement support and wider welcoming measures, if you want to use that term, have not adjusted properly. Lots of people when they come here, whether as permanent migrants or long-term temporary arrivals, do fine—they come into a job, they have family here, they can plug straight in. But plenty of them do not. Plenty of international students are actually extremely isolated and are quite at risk; many of them are quite vulnerable. Many of them have had parents go hugely into debt to make sacrifices to provide this opportunity for their children. It is certainly not cheap to be an overseas student to pay for your education fees, let alone the costs of getting here, the costs of housing and all of those things when they arrive. And if they run into difficulties, if they fail too many subjects, if they get caught working 20.1 hours instead of 20 hours, they can have their visa cancelled like that and they can lose the whole lot. They can literally have their lives ruined, particularly if they end up in detention, as some of them do—they cop a debt as part of that; they have a mark on their record as though they have been jailed. It can cause horrendous destruction of people’s lives, a cost far in excess of an appropriate penalty for any mistake they may have made with regard to breaching their visas or simply not passing their courses. We need to take those things into account, particularly for what is an export industry. There are always going to be circumstances where these things happen, but I think we can reduce them, whether it is in the student area or in the many other areas where people arrive on temporary visas, by just providing more short-term resources to make sure people are not isolated, that they are plugged in somewhere, that they have support, that they know where to go to get help early on. That early investment in the arrival of these huge numbers of people— because they are not cogs in a machine; they do contribute to Australia economically, socially and culturally—like education itself can bring enormous benefits to Australia down the track, as we have seen from so
many who have come here under the humanitarian and family intakes. I do think it is important to have more resources and to re-examine how we deploy existing resources with regard to arrivals.

Another aspect of the significant increase in the migration intake is the potential for public backlash. There is no doubt that that exists. The apprehension about large numbers of people coming here is understandable. That is why I think it is better to have an open debate about it, and that is my understanding of why the minister has called for an open debate rather than just pushing it all through and hoping nobody really notices. There is a real risk that factors can combine. I am certainly seeing a growing number of people somehow or other suggesting that we need to reduce the migration intake because of climate change—because more people will come here, so we will have more emissions. Now, people consume resources wherever they are on the planet. Whether they consume resources and are involved in generating greenhouse emissions in Australia or elsewhere, it is a global issue. To me the issue is the amount of emissions everybody is generating, not where they happen to live when those emissions occur. But to blame too many migrants for greenhouse impacts or for us not meeting our climate change targets is an easy argument to make, if you do not think about it too much. There is a strong thread within parts—certainly not all—of the environment movement that really heavily pushes this line.

The reason I became immigration spokesperson for the Democrats when I first got elected to the Senate was that we had a migration policy with one line in it—which none of the then senators supported—courtesy of a departed former senator, calling for zero net migration. It made it rather hard to argue that we should be allowing refugees and boat people to stay, when we had a policy that said no-one is actually allowed to stay until someone else leaves.

We had a policy that I think was not logical, and I was very pleased to take on the portfolio so I could help make that policy logical again. But that thread of thought about zero net migration still survives in parts of the environment movement, and climate change is the latest thing people hook onto—and the environmentalist side is my side of politics. Similarly, there is undoubtedly still a thread within the trade union movement that continues to run the line that migrants take jobs and drive down conditions—arguments that were run back in the late 19th century and early 20th century. When we are, I think rightly, considering taking in people from some Pacific island nation both to assist the economies of those nations and to meet labour shortages here in my own state of Queensland, that has undertones of some arguments that were put forward from the union movement there around the early 1900s.

If an argument is being put from an environmental angle, or from a workers’ rights and conditions angle, and there is also general unease about rising housing prices, and migration is being blamed for increasing demand too much on housing and pushing up prices, and there is a general unease about rising costs in general, these things can all knit together to create a fairly nasty mix. That is why I think it is valuable to have a public debate about it, to be open about these things. I am not saying that everyone who expresses concerns about environmental impacts or about workers’ rights is just some bigot; not at all. What I am saying is that those concerns need to be addressed factually. A really strong leadership role needs to be played by everybody in public life, not just by politicians but by people across the board in any sort of public position to counter some of that mythology, to highlight
the undoubted benefits that migration provides to us across the board. I would also make a plug here, again, for the family intake, because that was significantly reduced.

I note that Senator Ellison moved a motion calling for the retirement visa group to be given the opportunity to apply for permanent visas. I think that is an area worth considering, without making the obvious point that the previous government had plenty of time to do that and did not. The previous government also put a very severe cap on the ability of parents and aged parents to come here and reunite with their families, unless they could pay a very large fee for their visa. This was the so-called non-contributory parent category. It is very small—I think it was 1,000. It has an enormous waiting list for people who do not have a lot of money, and it is pleasing that there has been an increase in that. But I think it is difficult to be making an argument for one group without also looking at the parents of those people who have been here for a long time. (Time expired)

Senator O’BRIEN (Tasmania) (9.25 pm)—I rise to speak on the Appropriation (Parliamentary Departments) Bill (No. 1) 2008-2009 and related bills. While I can say that this budget has dealt fairly with my state of Tasmania, there is one field of endeavour where that is definitely not the case. Australian Rules football in Tasmania has a proud history. It was not long after the game’s earliest origins in 1858 that it was embraced by the sporting population of my state—the state that I have the honour to represent here in this place. A club existed in Hobart as early as 1864, and the state’s oldest continuing club, Launceston, was formed in 1875. Leagues and associations flourished throughout the state, more often than not providing the social and sporting lifeblood of our geographically diverse population.

This enthusiasm remains the case today. Tasmania enjoys the highest participation rate of any state in the sport of Australian Rules football. Despite only having 2.4 per cent of the Australian population, Tasmania provides 5.35 per cent of Auskick participants, 4.12 per cent of clubs and 6.77 per cent of school based football nationally. But it appears that the people of Tasmania must suffer a significant penalty for their enthusiastic embrace of the national game. Like Victoria, Western Australia and South Australia, our relative participation in Australian football exceeds our relative population level, but Tasmania exceeds by more. It is quite the opposite in New South Wales and Queensland. It appears that Tasmanians are too committed to AFL football, so much so that in fact it seems to have caused the Chief Executive Officer of the Australian Football League and his advisers to reach the conclusion that there is such little room for further expansion of the game in Tasmania that we should not be considered for one of the two new team licences to be issued. This is an extraordinary premise, one which completely ignores a rich history of commitment to the game and which surely prevents the AFL from achieving its stated aim of having a truly national league. Let us examine a few raw facts.

The proposed team on the Gold Coast has effectively nowhere to play and limited available existing support, based mainly on those who have moved to the area from the established Australian football states. The team planned for Western Sydney has a stadium at which it can play but whether in the short or even long term it can go anywhere near even partially filling it must remain the big question, as it has no supporter base at all. Meanwhile, Tasmania has an existing AFL stadium and a large and committed support base which all but fills that stadium’s
seats on a regular basis for those AFL games that do come our way.

The Australian Football League is a successful sporting body and business enterprise. It is arguably the standard bearer for achievement in sporting excellence in this country. It has much of which it can be proud, both on and off the field. It is entitled to continue its work and achievements to strive for even more growth and success. But surely it also has an obligation to respect, honour and reward the most committed members of the Australian football family, especially when there is no good reason why it should not. Since the clubs Hawthorn and St Kilda began to play regular roster matches at Aurora Stadium at York Park in Launceston, Tasmanians have made it clear that they want the game played at the highest level in their home state. Whilst they have always demonstrated a tremendous culture for the game, it now materialises in an additional manner through enthusiastic attendance at AFL games on their own patch.

The Tasmanian connection with the game in the past has been substantial; the contribution extraordinary. There are only 21 legends in the AFL Hall of Fame; three of them are Tasmanians: Daryl Baldock, Peter Hudson and Ian Stewart. The Tasmanian AFL ‘Team of the century’ is full of those who are wonderful exponents of the game and stands favourably alongside similar teams selected by the AFL clubs themselves, many of which, in turn, include Tasmanians who played for them. And it continues in 2008. Rodney Eade is now the coach of the Western Bulldogs. More than 20 Tasmanians are currently on AFL senior lists, and five umpire at AFL level. Matthew Richardson is playing at his very best in the twilight of his career, while Brendan Gale heads up the AFL Players Association.

The Tasmanian talent pathway continues to prepare and deliver up its young men for the AFL draft. Earlier this year, the state was victorious in the national division 2 under-18 championship, defeating both Queensland and New South Wales. The question must therefore be asked, given an apparent capability to field a team in the highest competition in the land, why Tasmania should be cast aside without even the slightest chance to mount a case, let alone be encouraged or assisted to do so. The answer may well lie in the chairman’s contribution to the AFL 2007 report. In it Mike Fitzpatrick said:

Next Generation: Securing the Future of Australian Football was adopted by the AFL ... in 2006 and $1.4 billion was allocated to all levels of the game during the next five years.

A key component of that strategy is to have an AFL premiership season match played in southeast Queensland and Sydney each week by 2015. I note that this target date seems to have been rushed forward considerably since the presentation of the report. It might well be argued that one of the reasons for this is the continued embarrassment of having to explain the exclusion of Tasmania from the process. In the same report, Mr Fitzpatrick commented:

To assist the AFL Commission, a Gold Coast advisory group was established among local business, community and government leaders to put forward the case for an AFL club to be based on the Gold Coast.

The case put forward by the Gold Coast group to establish an AFL club on the coast was compelling.

The Gold Coast region is Australia’s premier tourist destination, attracting more than 10 million overnight and daytrip visitors each year.

That latter statistic may well be the case, but what we already know is that not too many of them bother to support or attend AFL games when they are played there. The AFL’s 2007 report reveals that an average of
11,319 people attended roster matches at Gold Coast Stadium compared with 17,403 at Aurora Stadium at York Park in Launceston, and it is nigh on impossible to buy an airline seat from Melbourne to Launceston on the weekend of one of those AFL matches. It is clear that it is as much the mainland tourist population as the locals which supports the playing of AFL at its highest level in Tasmania, and we are currently able to compare apples with apples because in both cases neither local crowd has a home team to support.

The comparative news has only got worse for the proponents of the Gold Coast in 2008. On 19 May a reported crowd of just 6,354 watched North Melbourne take on West Coast on the Gold Coast. Two weeks later 19,378 poured into York Park to watch the Western Bulldogs battle Hawthorn—maybe not apples with apples this time because the Kangaroos may have been on the nose up north and the West Coast may have had a few local fans, but it is hard to imagine that the AFL-committed Tasmania crowd would ever drop to the dismal depths experienced on that day. The last time the Eagles came to Launceston a crowd of 18,112 turned up. Maybe that is the real point: the AFL is so obsessed with growth above all else that it ignores the facts before its eyes. Referring to North Melbourne’s decision not to accept a $100 million package to relocate to the Gold Coast, Mr Fitzpatrick said:

Our major responsibility rests with continuing to grow the game and the national competition and given the Kangaroos’ decision, we will pursue the establishment of a new club on the Gold Coast. This work started in the past year and it will be a major focus of the AFL ... in 2008.

So obsessed, in fact, is the AFL that it seems that this might well be at any cost. In the *Australian* on 24 May journalist Patrick Smith wrote:

The Gold Coast franchise—set down for 2011—threatens to set back other sides in the competition, in some cases terminally. The AFL has drawn up generous benefits for the new side that most AFL club chiefs think will eventually hand the Gold Coast a superteam. As it stands, the Gold Coast recruiters have 80 picks to fill a 50 or so strong list. Only the baubles will be kept, the fool’s gold discarded. Clubs are finetuning their thoughts on the AFL blueprint and fans should expect a push to have the Gold Coast’s tip truck of draft picks traded for shots at uncontracted players.

There has been plenty of speculation that the AFL will also be prepared to invest whatever it takes in terms of raw cash, some say hundreds of millions, to make sure it works. This may even include building a stadium from scratch at the AFL’s expense because no-one else appears interested. Surely that must cause the odd penny to drop. Meanwhile a much surer shot lies ignored in the nation’s southernmost state.

Growth is not the only factor that ought to be applied in these situations. Key performance indicators are a feature of measuring success in today’s society and growth is always a favourite inclusion, but there is also much to be said for commitment and stability, particularly when variables such as long-term support by fans of a sporting team are thrown into the mix. It is most probably true that Tasmania would easily lose out in the potential for growth debate in any discussions on the expansion of the AFL. It is hard to grow when your level of commitment and participation is already at a high level. On the other hand, it should prove easy for the AFL to spin out plenty of data on growth in Sydney’s west and on the Gold Coast given the low base of current support. One hopes that statistics are not clouding this debate too much. As we know, it is too easy to manipulate them to get the result desired.

This is all a bit like the children’s fairy story about the bears, the chairs, the beds and
the porridge. Poor old papa bear, Sydney, has a stadium but it is a bit too strong. Then there’s Goldie, the mama bear—hers is just not up to scratch and there were lots of problems when her relatives from Brisbane tried to make people sit in it a few years back. But baby bear, Tassie, has the facility that is just right, with plenty of potential for it to grow as time goes on and at not a ridiculous cost. Lots of people want to sit in Tassie bear’s stadium. The challenge it seems for the littlest bear is to find and convince Goldilocks.

But perhaps the most serious issue facing Tasmania’s push for a team in the AFL is making others, as well as its own, believe that it is serious. Perhaps until recently, any concept of an AFL team for Tasmania has been based mostly on emotion—that given the state’s history in and contribution to the national game it had a right to a team when the league expanded. And perhaps it was too easy to cast such expressions aside, largely on the basis of the state’s small and static population. But we now live in a very different world. Corporate investment transcends state and national boundaries. As far as I am aware, unless there has been a dramatic development in the past hour or so, my beloved Collingwood is not located in the Gulf States, yet it is sponsored by the national airline of the United Arab Emirates. It is not a prerequisite that sponsors have a geographical connection with the team or product that they sponsor, particularly in the 21st century. In fact, Tasmania proves exactly that by sponsoring a Melbourne based team. It makes sense because a commercial entity will often have very good reasons for promoting itself well outside its own backyard and through a popular third-party entity. I again quote Patrick Smith, who wrote in the Australian on 11 June:

It says everything about the ruthless AFL ... that when the competition is at its wealthiest—with much more to come—three Melbourne sides are threatened with all but instant execution.

At least those clubs have had the chance to put their case over a hundred years and more. Tasmania has never even had the chance for a trial—fair or otherwise. Mr Smith was referring to the possibility that the AFL might end the practice of special distributions to clubs in need, which this year saw those three clubs receive $4.1 million under the scheme. He went on to say in the same article:

The devil in all this detail is historical contracts with Melbourne’s two playing venues, the MCG and Telstra Dome. The three clubs are locked into long-term deals that deliver piddling returns.

This is a big issue not just for these three clubs but for a number of other Melbourne based sides as well. Whilst it seems to threaten the survival of three long-term existing clubs, it is not a problem which we could expect Tasmania to face if it were able to field a permanent team in the big league.

Three of the reasons that have been advanced against the argument for a Tasmanian based team in the AFL warrant some consideration. The first is that Tasmanians are so committed to the AFL game and its current clubs that they might not sufficiently embrace a team of their own. It is true that it is often hard to find a Tasmanian that does not associate with an existing AFL side one way or another. Our passion for the game and ‘our’ team is significant and during the footy season sometimes life determining, at least in terms of our social programs. The obsession with footy tipping on the AFL is almost overwhelming with a huge number of Tasmanian workplaces and social clubs committed to one form or another of such competition. But this can easily work in favour of the push for Tassie’s own team. Even if we remain loyal to our original side, we are faced with the immediate bonus of, at least once every two years, that side playing a rostered
game in Tasmania. And these things are of course generational. You only have to take a cursory glance at Hawthorn games in Launceston to see that the biggest proportion of Hawks fans at the games are younger supporters—those who have made their decision as to which team to support in the period since Hawthorn has begun to play in Tasmania.

And let us not overlook the fact that Tasmanians are often, with some considerable justification, accused of being parochial. The Apple Isle did not have a team in the interstate cricket competition for the early and middle years of the Sheffield Shield. This did not prevent Tasmanians from quickly embracing the Tassie Tigers once they were admitted to the competition, and certainly not when they eventually won it—much more quickly I would say than was the case with Queensland! It is doubtful that Tasmanians would avoid for too long the chance to support an AFL team of their own, even if it were by the time honoured practice followed by AFL supporters of having a ‘second’ team.

The second cause for concern that has been thrown up is that we might not get too excited about a team that did not have many Tasmanians in it. It is, of course, true that there is no guarantee, given the current draft and transfer systems, that a significant number of Tasmanian-bred players would be part of a Tasmanian side. But Tasmanians are a welcoming bunch and, as they have shown with many new arrivals in other sports, it does not take long for a new arrival to be regarded as one of Tasmania’s own. Daniel Marsh, the captain of the Tasmanian cricket team, is a perfect example.

And then there is the argument that Tasmania could not support an AFL team in other respects. But in the case of an AFL club it is no longer necessary, as it may have been even a short time ago, to find jobs for the players in a team’s home town. This would have been an issue for Tasmania in those days, but it is now an irrelevancy because it is the club that provides the employment opportunities, not only for the players, who are now all full-time, but for the support and administrative staff as well. The same applies to many of the other arguments that are raised in objection to the suggestion that Tasmania should have its own resident AFL team. Much has been said, in justification of an expanded national league, about the need to provide more material for broadcast rights holders. But surely it does not matter whether a game being telecast is coming from Tasmania, the Gold Coast or Sydney.

There is growing support within Tasmania for an AFL team of its own. The Tasmanian government has responded by allocating some $200,000 to commission a study into the feasibility of such a move. It is perhaps regrettable that to date the Tasmanian football family and its supporters have not been treated with the respect that nearly 150 years of devotion to the national game deserves. In a thoughtful, forward-thinking piece in the Age on 15 May, Jake Niall pondered July 2013 and what that time might reveal of the progress of a Western Sydney team in the AFL. The picture painted was bleak as Niall was foreseeing poor crowds and a ‘borderline competitive’ AFL constructed team with just a single local player. In Niall’s words:

It has no supporter base and no basis for being, except the league’s ambitious expansionist agenda.

Naturally much of this is speculation, however well based, except for the latter remark, which arguably is already accepted fact. Niall’s well-considered case, which predicted that Western Sydney loomed as ‘the AFL’s Iraq’, concluded with the following:
If the AFL forges ahead with its (second) imperial adventure as planned, the Western Sydney team will consume untold millions and drain coffers to the point that the code could be weakened elsewhere—textbook overstretch. My guess is it would be cheaper to prop up a team in Tasmania, or even Canberra. In terms of financial viability, the best market for another team actually would be Perth.

In the AFL’s logic, a large population is the precious natural resource. Tassie, sadly, doesn’t have the numbers, which is tantamount to having no oil.

I think those words of Niall’s are prophetic. On all that we have heard to date, it is hard to conceive that Niall’s ‘guess’ is all that far off the mark. Surely that justifies, at the very least, the AFL giving some real time to considering Tasmania’s case.

Debate (on motion by Senator McLucas) adjourned.

ADJOURNMENT

Senator McLucas (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (9.44 pm)—I move:

That the Senate do now adjourn.

Telstra

Senator Lundy (Australian Capital Territory) (9.44 pm)—On 14 June 2008, Telstra Corporation embarked upon a very specific smear campaign against me and my husband, David Forman, an employee of the industry association called the Competitive Carriers Coalition. This attack was dressed up in a thin veneer through the misrepresentation of the federal Labor government’s lobbyists’ register and code of conduct.

The piece is entirely without substance simply because the statements made by Rod Bruem and supported by Jeremy Mitchell, editor of the Telstra blog, are factually wrong. The two premises on which the piece are built are that our marriage is somehow secret and that the questions I asked most recently in Senate estimates were inspired by my desire to advance the interests of my husband’s employer. Both are wrong. Mr Bruem’s effort is so completely devoid of fact that it is beneath contempt. If they were not so offensive, these claims would be laughable.

Telstra’s continued attempts to shop this fantasy around the media in the hope that someone, anyone, will report it require me, however, to itemise the errors. If the flacks at Telstra are old enough, they would be aware of the fact that I have been a member of the environment, communications, IT and the arts Senate committee in its various forms since 1996, participating in every budget estimates of the federal parliament in the last 11½ years. I have participated in the majority of Senate committee inquiries into information technology and communications matters since my election in 1996.

The first error of fact made by Mr Bruem is the completely false implication that the questions I asked at the last round of estimates, relating to the effectiveness of the current Telstra operational separation regime, were given to me by my husband, David Forman, of the Competitive Carriers Coalition. This accusation is both false and malicious. They were not supplied by David Forman. It is an entirely legitimate part of estimates for government senators to ask officials for a critique on the performance of the previous government’s failing policy. To Mr Bruem, who claimed he has been watching Senate committees closely, this ought to have been obvious, as it is a common approach.

For many years in opposition, I prepared my own brief or worked to a brief prepared by shadow ministers. It is also not unusual for a brief to be supplied by a minister’s office to a government senator. In this case, a discussion occurred between the office of the Minister for Broadband, Communications
and the Digital Economy and me around the issue of the effectiveness of the current operational separation regime, which led to some of the questions, noting of course that Labor opposed this policy when it was debated in 2005. But perhaps watching and understanding what is going on are two different things in Mr Bruem’s case.

The second error of fact by Mr Bruem is the suggestion that because he has never seen me declare my relationship it must not have happened and there was some attempt to keep our marriage secret. I note with great interest that, in subsequent correspondence to my lawyer, Telstra backed away from this claim. They subsequently were forced to note this error and cited just one example in April 2005. There are no less than three such declarations formally recorded in Hansard of Senate committees: April 2005, as Telstra were forced to concede, February 2005 and again in September 2005. I would like to go through them. On Monday, 11 April 2005 at 2.50 pm:

Senator LUNDY—Could I once again place on the record that Mr Forman, who is appearing on behalf of the CCC, is my husband.

CHAIR—It has certainly been noted by the committee in the past. Thank you, Senator Lundy.

That was from the committee inquiry into the performance of the Australian telecommunications regulatory regime. On Thursday, 10 February 2005 at 11.19am:

CHAIR—Welcome. Thank you for your time this morning. I invite you to make an opening statement, before we move to questions. For the record, Senator Lundy has informed me that she is married to Mr Forman. That interest has been noted by the committee.

That was from the Senate inquiry into the powers of Australia’s communications regulators. Again, on Friday, 9 September 2005 at 9.56am:

SENATOR Lundy—Mr Chair, before we start, I would like to place on record, as I normally do at the start of these inquiries, the fact that I am married to Mr Forman.

CHAIR—It has certainly been noted by the committee in the past. Thank you, Senator Lundy.

That was from the Telstra (Transition to Full Private Ownership) Bill 2005 and related bills inquiry. Note that on each of these Hansard transcripts, David’s name is clearly listed: Forman, Mr David, Executive Director, Competitive Carriers Coalition.

Telstra participated in the inquiries and, up until the coalition government sold the third tranche of Telstra, in every Senate budget estimates. I asked many questions about many things, especially Telstra’s extensive use of pair gain systems, bandwidth speeds, line dropouts, complaint registers, exchange upgrades, operational and structural separation, and the access regime.

It is important to note that these declarations by me have been over and above the requirements of the Senate. Our marriage is widely known and formally declared in accordance with the requirements of parliament. I have always declared my husband’s employment and the potential for conflict of interest on my spouse statement of registerable interests. As a senator with a spouse, I am required to fill out a completely separate form registering the interests of my husband. This is in addition to my own statement of interests. These forms are updated regularly.

It has been declared continuously in the statement of interests and most recently recorded again in an updated declaration of interests in February this year. These declarations clearly state my husband’s employer. In addition, in the section titled, ‘Any other interests where a conflict of interest with a senator’s public duties could foreseeably arise or be seen to arise,’ I have said this: Competitive Carriers Coalition has a lobbying role in federal parliament on behalf of members.
Our respective enthusiasm for and interest in IT, broadband and communications pre-
cede our marriage and have obviously con-
tinued since our marriage in 2001. Up until now, there has never been any public accusa-
tion, query or challenge that this was not
enough of a declaration—never a peep from Telstra; nary a complaint. Telstra has never
made a complaint to me, the Senate commit-
tee, the parliament or, to my knowledge, the
media. There has been, however, an under-
current of snide rumour and innuendo. But
no-one has been prepared to put their name
to the sleaze before now.

The third error is Mr Bruem’s fantasy
about our family breakfast table conversa-
tions ‘planning pincer attacks’. This is not
ture. The fact is that David Forman did not
know anything about these questions until
after they had been asked and answered. But
wait, there is more! The fourth error, the
claim that the PM and press gallery turned a
blind eye to my relationship, is absurd be-
cause it has been repeatedly and publicly
disclosed by me and openly discussed by my
husband in this building, including in the
press gallery since our relationship began.

The fifth factual error is the claim Mr
Bruem made about the lobbyists code of
conduct. He should know that David Forman
does not qualify as a lobbyist under the defi-
nition used in the code. To dismiss the code
as sheer window-dressing based on a misrep-
resentation is a gratuitous political attack on
the
government.

In closing, I was obviously shocked and
devastated not just by the obvious inaccuracy
of the piece but by the sheer malice with
which it has been written. Telstra have re-
fused to correct the record despite being ad-
vised they were wrong, so it is left to me to
state the truth: there is not and never has
been any attempt to hide our relationship.

I note that, despite stating in correspon-
dence that Telstra would post a statement
from me on their blog, they had not when I
last checked earlier this evening. This rein-
forces the malicious intention given that they
received it last Friday. This is evidence that
they have no interest in the facts. That Mr
Bruem’s conduct reflects the corporate cul-
ture of Telstra can be in no doubt given the
company’s role in refusing to remove Mr
Bruem’s dishonest writings from its corpo-
rately funded website.

I assert my right as an elected member of
parliament to ask any question at all that I
believe is relevant to my role representing
my constituency or related to policy matters I
have an interest in. I have a duty and respon-
sibility to the federal parliament of Australia
and it is outrageous and untenable that Tel-
stra are trying to silence my participation in
such debates by making such malicious and
unjustifiable complaints. I refuse to be in-
timidated in the discharge of my duties. I
will continue to pursue Telstra and its offi-
cers in the public interest, as I have done for
more than a decade.

I will do what I think I need to do, includ-
ing asking for an apology and a retraction
from Telstra, to protect my reputation and
capacity to perform my duties. In October
2006 Bruem was interviewed about the then
new Telstra ‘nowwearetalking’ blog. When
asked by Trevor Cook ‘Who can blog at Tel-
stra?’ he replied:

Everyone in Telstra was given the chance to join
the team. We advertised and then selected people
based on their ideas and how we liked their writ-
ing. Most people write about their work or some-
thing communications related. To be successful
most blogs also need to be a bit personal, so we
encourage our bloggers to let their personality
shine through.

Mr Bruem has certainly done that.
Griffith University

Senator BARTLETT (Queensland) (9.54 pm)—It is apposite that Senator Lundy is talking about blogs because I noted a piece today in the *Australian* by David Burchell which was spreading a lot of venom about what he says is all the venom on the bloggersphere. I have no doubt that there is plenty of venom on the bloggersphere; I think Senator Lundy herself has a blog out there. In fact, I think that we are both speaking at a conference on Wednesday morning about some of these sorts of issues. You can see plenty of it around, but it was curious to have those sorts of accusations made in that column that the entire arena of people that express their views online through things like blogs and political blogs are all somehow just engaged in vitriol.

It is particularly ironic given the sorts of approach that comes from some of the people that write for the same paper that Mr Burchell was writing in, the *Australian*. One example that I was wanting to highlight this evening that really concerned me but I did not respond to much at the time, because it was clearly such a level of hysteria in regards to the coverage being put forward in the *Australian* that speaking out against it too strongly and continually would have done little more than just contribute to all of the hysteria that was being generated. I speak specifically about a whole series, in fact a huge number, of articles written over the space of a week attacking Griffith University—in my home town of Brisbane in my home state of Queensland—and the Islamic research unit because of funding that they have received from the government of Saudi Arabia, and specifically attacking individuals who ran the Islamic research unit.

The articles attacked the Vice-Chancellor of Griffith University, Professor Ian O’Connor, and generally ran a lot of insinuations and some quite inflammatory and plainly wrong quotes from people suggesting that, purely as a consequence of taking this amount of funding from the Saudi government, the Islamic research unit at Griffith University was somehow allowing itself to be used as a front for spreading Muslim extremism, fundamentalism and Wahabism. There were about 16 articles, including front page for three or four days in a row as well as inside. One of them was an edited op-ed response from Professor O’Connor, the vice-chancellor. It was a continual steady stream doing nothing more than just trying to repeat and reinforce this initial insinuation that Griffith University and its Islamic research unit was being used as a front for Islamic extremism.

As I said in the one public comment that I did make as well as the letter to the editor that I sent to the *Australian*, which was not published, there are legitimate issues that are raised in universities receiving funds from foreign governments. I have seen examples of foreign governments using pressure on universities who, of course, we all know in Australia, for better or for worse, in many cases are very heavily dependent on the income they make from overseas students. I have seen examples of foreign governments using that pressure and applying that pressure to universities in regards to them running seminars on topics they are not comfortable with, that are embarrassing to them. That is inappropriate, whatever government does it, whatever country it is from. It is inappropriate even for the Australian government to apply pressure to universities if they are doing things that the Australian government does not like. That is not something that is beyond the realms of possibility; it has happened. And it is never appropriate. Academic freedom is very important.

So of course there are issues to be raised and I do not in any way criticise the Austra-
lian newspaper for raising these questions. What I do criticise is the nature of their coverage, the absolute hysteria generated clearly quite deliberately and consciously and repeatedly day after day and, in the process, smearing some extremely capable people and some hard-working people who have put a lot of effort over a number of years into addressing and trying to work on precisely the issues that many people, including the Australian, quite rightly have called for, which is strengthening understanding about Islam and building connections between Muslim communities in Australia, in this case particularly in south-east Queensland and the wider community.

The head of that research unit, Dr Muhammad Abdullah, is well known, within Queensland and more widely, for the work he has done in building links, in sharing understanding, and in quite openly being willing to explore the difficult issues that undoubtedly exist in deciding how to best tackle extremist, violent Muslim fundamentalism. He is doing precisely the job that so many people say needs to be done and he is doing it about as well as I have seen with regard to the Muslim community. I am not saying he is above reproach or above questioning, but for him and his unit to be clearly, deliberately targeted in the way that they were, purely so that the newspaper could keep stretching out this tenuous thread about one donation from the Saudi government, was irresponsible.

I have spent a lot of time working with many people in Muslim communities, particularly in south-east Queensland, and there is a real apprehension amongst them about sticking their heads up, because they do not want to get targeted in the media. When they see something like this happen, the signal that sends, particularly to younger Muslims around Australia and to anybody that knew and worked with Dr Abdullah, is: ‘Well, hell; look what they’ve done to him. He’s done precisely what they’ve been asking him to do for years and then they just trash him—publicly, repeatedly, deliberately and unfairly, and in a totally unbalanced way.’ How do you think they are going to react to that? Will they think, ‘I’ll go out there and try and increase understanding as well; I’ll stick my head up’? That would mean that they would be likely to get targeted as well. It was incredibly irresponsible.

At no stage in all of the 15 or 16 articles did the Australian examine in any sort of meaningful way the actual work that the research unit had done. They could not have pointed to any seminars that they had run and funded on Wahabism, extremism and fundamentalism. The best they could do was point to a forum that Tariq Ramadan—and also I and Mr Laurie Ferguson, the Parliamentary Secretary for Multicultural Affairs and Settlement Services—for multiculturalism spoke at. That was a fabulous conference over three days that examined all these sorts of issues. It sure as hell did not promote Wahabism. There were speakers there that specifically criticised it. That was the best the Australian could do. Not surprisingly, the same newspaper had run a smear job on Tariq Ramadan as part of him coming to Australia to talk to that conference. Whatever happened to the idea of freedom of speech? Whatever happened to shining a light on these things, to sunlight being the best disinfectant against extremism and ignorance? It is simply ludicrous.

What if every institution that received funding from any foreign government was subject to the same scrutiny and the same sort of thing, with a whole series of front page articles? The articles included inflammatory quotes from a couple of people who clearly had no knowledge of the university’s work on the issue. They were happy to simply be rent-a-quotes, to say: ‘They’ve got
money from Saudi. Saudi is bad; therefore, Griffith University is bad.' That was the level of logic. They found somebody who had a title after their name but had no actual engagement with the university or their work to make some extreme quote, and they then just kept running it over and over again.

It is so destructive. The unfairness of it annoys and frustrates me, but much worse is the destructiveness with regard to what is an important and difficult issue, which needs some degree of balance, sensitivity and reason attached to it—not this massive, deliberately hysterical, deliberately overblown, deliberately unbalanced and deliberately misrepresenting approach that we saw in that series of articles. Irfan Yusuf—a blogger, I note—highlighted, another university had funding come from the Chinese government not too long ago—one government that I have known to pressure universities repeatedly when they have held forums on issues like human rights. Where were the 16 newspaper articles about that university?

Of course these are difficult issues; of course they need to be scrutinised. But, unless we are going to provide enough public funding for universities not to have to seek funds from foreign sources, these are going to be challenges that those places are going to have to balance. And let us not forget that those links with overseas countries, corporations and bodies also can be extremely beneficial in terms of broadening our understanding. Raise the questions, but do not shoot the people who are trying to work on those difficult issues, and be a bit fairer along the way.

Western Australian Resources Sector: The Jones Family

Senator ELLISON (Western Australia) (10.04 pm)—Much has been made of the wealth enjoyed currently in Western Australia and the boom that has been experienced in the resources sector. But it is not often that you get some analysis of the people who stand behind it. Indeed, the wealth that has been created in Western Australia as a result of the resources sector goes back a long way.

Last Sunday saw the launch of a book entitled The Road to Bulong: “Close Up - Little Bit Long Way”. That book reveals a very interesting aspect of the history of a family in the goldfields of Western Australia, the Jones family of Hampton Hill. That sets out in a very illustrative and interesting way 100 years of effort, of strenuous and determined endeavour, by a close-knit family that simply refused to give up, even when the odds were stacked against them. The Jones family can be traced back to a chance meeting in Shark Bay between Robert Cecil Jones and Frances Butcher. As a result of that union, the Jones family moved to the goldfields and were engaged in pastoral work over many years. They suffered many droughts and many hardships, and in those days things were not easy, to say the least.

More recently, in the sixties, mining came along. John Jones, who was at that stage involved in the pastoral industry, determined that he would become involved with the mining sector. In 1967 he found Scotia, a nickel deposit that would later be mined. He set that up with his brother Bart. It is from there that the mining part of the history of the Jones family begins. From that time, the family went from strength to strength, and later both John Jones and his brother Bart worked with North Kalgoorlie mines in reopening a gold mine on the Golden Mile. I guess it was from then on that history was set.

In looking back over the years, John Jones has recounted the story in relation to that change from the pastoral sector to mining and also today in transport. It is a fascinating story of a family that simply never gave up. It is interesting that in the Senate tonight we have Senator Adams, who has known the
family for a long time and indeed was there when there was a rather famous instance of John Jones getting on the cover of the Australian Women’s Weekly as a result of the Scotia find. That incident was referred to recently in an article in which John Jones said that being on the cover of the Australian Women’s Weekly caused him to spend a bit more time in the bush. Such is his dry sense of humour.

This story of a family in the goldfields reveals a great deal more depth to the current wealth that is enjoyed in Western Australia. We see a family that came from very tough beginnings and, through its success, has made a great contribution to the community, to the Indigenous community and to others, not only in the employment it offered but also through the wealth and the toil of that family. In fact, in a rather dry statement John Jones said:

We then re-entered mining through two companies, Troy and Anglo Australia. The whole thing has ended up being successful. It created jobs around Kalgoorlie, and it created wealth for shareholders. It’s nice when that happens.

I think that epitomises the attitude of a family and of a man who have made a great contribution to Western Australia. Indeed, in typical John Jones fashion, he states:

There will always be, and not just in our family, sons and daughters who have entrepreneurial, creative ideas. That should be encouraged, not just by family but by the government. They need to back young people to have a go. If you don’t have a go, you can never be lucky. You have to put yourself out there.

Such is the motto of a family that has struggled through adversity to enjoy some success and has returned that success to the wider community of Western Australia. The wealth we see in Western Australia today is not just the result of multinationals that came along and found some gold or some diamonds or nickel in the ground. There are many stories like that of the Jones family. It is that sort of attitude which is behind the kind of success we see in Western Australia. I think it is important that these human stories are related to the wider community across Australia so that people can get a bit of an understanding of just how it all happened.

**Senate adjourned at 10.10 pm**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

- Australian Bureau of Statistics Act—Proposals Nos—
  4 of 2008—National Aboriginal and Torres Strait Islander Social Survey.
- Commissioner of Taxation—Public rulings—
- Parliamentary Service Act—Determination No. 1 of 2008—Secretary, Department of Parliamentary Services – Remuneration and Other Conditions of Employment.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Broadband, Communications and the Digital Economy: Government Appointments and Grants
(Question No. 131)

Senator Minchin asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 13 February 2008:

(1) (a) What appointments have been made by the Government (through Executive Council, Cabinet and ministers) to statutory authorities, executive agencies and advisory boards within the Minister’s portfolio; and (b) for each appointment, what are the respective appointee’s credentials.

(2) How many vacancies remain to be filled by ministerial (including Cabinet and Executive Council) appointments.

(3) What grants have been approved by the Minister from within the Minister’s portfolio.

(4) What requests have been submitted to the Department of Finance and Deregulation to move funds within the Minister’s portfolio.

Senator Conroy—The answer to the honourable senator’s question is as follows:

(1) Senator the Hon Chris Evans as Minister representing the Prime Minister in the Senate will respond on my behalf.

(2) A list of all vacancies which remain to be filled by Ministerial, Cabinet or Executive Council appointments for the Broadband, Communications and the Digital Economy Portfolio is below.

<table>
<thead>
<tr>
<th>Board</th>
<th>Vacancies as at 20/5/08</th>
</tr>
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<tbody>
<tr>
<td>Australian Broadcasting Corporation (ABC)</td>
<td>2 position vacant.</td>
</tr>
<tr>
<td>Australian Communications And Media Authority (ACMA)</td>
<td>Potentially 2 positions vacant.</td>
</tr>
<tr>
<td>Australian Children’s Television Foundation</td>
<td>Nil.</td>
</tr>
<tr>
<td>Australia Post</td>
<td>1 position vacant.</td>
</tr>
<tr>
<td>Netalert Ltd</td>
<td>Nil positions vacant.</td>
</tr>
<tr>
<td>Regional Telecommunications Independent Review Committee</td>
<td>Nil positions vacant.</td>
</tr>
<tr>
<td>Special Broadcasting Service (SBS)</td>
<td>2 position vacant.</td>
</tr>
</tbody>
</table>

(3) As at 20 May 2008, the Minister for Broadband, Communications and the Digital Economy has approved two grants totalling $0.089 million (plus GST) under the Telecommunications Consumer Representation and Research Grants Program and one grant of $0.426 million (plus GST) under the National Transmission Network Residual Funding Pool Program. Additionally, the Minister has approved two grants totalling up to $0.6 million (plus GST) under the Television Blackspots – Alternative Technical Solutions Program and an additional community phone being installed under the same terms as the existing arrangements in the Telecommunications Action Plan for Remote Indigenous Communities program. The final payment of funds will be subject to approval of detailed costings.

(4) Senator the Hon Nick Sherry as Minister representing the Minister for Finance and Deregulation in the Senate will respond on my behalf.

The honourable Senator is welcome to attend Estimates hearings in future and request the information sought in this Question on Notice.
**United Nations**

*(Question No. 303 amended)*

**Senator Kemp** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 27 February 2008:

Can a coordinated time series be provided of all expenditure, grants and membership subscriptions, made by every government department and agency to the United Nations (UN), UN agencies and UN-associated entities (including peacekeeping operations) for the past 4 financial years, indicating the expenditures made by each department and agency and the UN agency or association that received it (including all regular budget, extra-budgetary and peacekeeping expenditure).

**Senator Faulkner**—The following answer has been provided by the Minister for Foreign Affairs to the honourable senator’s question:

Data on core contributions made by the Department of Foreign Affairs and Trade portfolio to the United Nations (UN), UN agencies and UN-associated entities (including peacekeeping operations) for the four years 2003-04 to 2006-07 is provided in the table below.

To provide the detailed information sought in respect of all other government departments and agencies would entail a significant diversion of resources and, in these circumstances, I do not consider the additional work can be justified.

Foreign Affairs and Trade Core Contributions to United Nations (UN), UN agencies and UN-associated entities for the past four financial years (2003-04 to 2006-07) (A$’000)

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Foreign Affairs and Trade Core Contributions to UN International Peacekeeping Operations for the past four financial years (2003-04 to 2006-07) (A$’000)

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**QUESTIONS ON NOTICE**
### International Peacekeeping Operations

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**Austrade**

Nil.

**AusAID**

Yes. See Attachment A.

**ATTACHMENT A**

AusAID Core and Non-Core Contributions to United Nations (UN), UN agencies and UN-associated entities for the past four financial years (2003-04 to 2006-07) (A$’000)

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QUESTIONS ON NOTICE
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1 Represents encashment amounts drawn down by the Global Environment Facility from the Reserve Bank.
2 Represents Australia’s core contribution based on negotiated burden share.
3 These are cash payments made to meet previously committed multi year replenishment contributions to the International Financial Institutions (IFIs).
4 These are cash payments made to meet previously committed multi year replenishment contributions to the IFIs.

QUESTIONS ON NOTICE
Senator Allison asked the Minister representing the Prime Minister, upon notice, on 19 March 2008:

With reference to the Prime Minister’s commitment to undertake ‘evidence based policy in terms of producing the best outcomes for this nation’ in an interview on the Australian Broadcasting Corporation’s Lateline program on 8 November 2007, a central theme repeated by ministers of the Government:

(1) Is the Prime Minister aware of fast growing scientific evidence that climate change is accelerating rapidly, as indicated, among other evidence, by the 23 per cent growth in spring melt of Arctic Sea ice between 2006 and 2007 and by an increase in the rate of mountain glacier melting from 30 centimetres per year between 1980 and 1999 to 1.5 metres in 2006.

(2) Is the Prime Minister aware that, increasingly, climate scientists doubt dangerous climate change can be avoided unless abrupt reductions in carbon emissions occur in the near future, as reflected, among other evidence, by the theme of an upcoming Australian Academy of Science (AAS) conference ‘Dangerous climate change: is it inevitable?’.

(3) Is the Prime Minister aware that, in the view of climate scientists, climate change can not be halted unless critical reductions are made in carbon emissions in order to attempt to reduce the atmospheric level of carbon dioxide from current levels (of near 450 parts per million (ppm)) to about 350 ppm.

(4) Does the Prime Minister realise that, by analogy to a medical condition where precise doses of antibiotic need to be administered in time to counter bacterial infection, the runaway climate crisis cannot be mitigated unless critical emission reductions are made in time.

(5) Is the Prime Minister aware of the danger that, should urgent measures on mitigation not be undertaken, carbon feedback effects from warming oceans and drying biosphere can result in a climate catastrophe, which has happened several times during the recent history of Earth due to solar radiation peaks.

(6) Is the Prime Minister aware that current rates of carbon dioxide and temperature increases are 1 to 2 orders of magnitude faster than those which occurred during the last glacial termination, between 14.5 and 11.5 thousand years ago.

(7) Is the Prime Minister aware of the consequences of inaction, including extensive droughts, storminess, acidification of the oceans, collapse of the marine food chain and the flooding of extensive low-lying agricultural regions and coastal cities caused by rising sea levels, leading to forced evacuations of hundreds of millions of people around the world.

(8) How does the Prime Minister view the consequences of these developments compared to the cost of fast-tracked conversion from carbon-emitting utilities to clean energy applications, including solar-thermal, photovoltaic, wind, hot rocks, hydrogen and other techniques.

(9) What is the difference in outcomes between the previous Government’s denial of climate change and the current Government’s apparent reluctance to follow the minimum mitigation measures recommended by the interim Garnaut report, which include emission reductions of between 25 and 40 per cent by 2020 and 90 per cent by 2050.

(10) Will the forthcoming Treasury report on the economics of climate mitigation also consider the economics of major droughts, storms, rising sea levels and the damage to international trade systems consequent on runaway climate change.

(11) Given that Australia is a net exporter of coal and has one of the highest per capita carbon pollution rates, is the Prime Minister willing to undertake immediate steps to promote Australian leadership in the world’s attempts to stem the looming climate crisis.

QUESTIONS ON NOTICE
(12) Given the Prime Minister’s undertaking that ‘my door will always be open to men and women of goodwill who want to participate in making our country even greater in the future’ in his election victory speech on 24 November 2007, is the Prime Minister willing to: (a) consider the evidence raised in the critical AAS meeting on 9 May 2008; and (b) accept a delegation of active climate scientists, in order to obtain direct advice regarding the fast deteriorating state of the atmosphere and its consequences.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator’s question:

(1)-(7) The Government is aware of emerging science relating to the rate of climate change and its impacts. The possibility that climate change is unfolding at the high end of the range projected in the Fourth Assessment Report cannot be discounted but is not yet certain. The Australian approach to climate change, including global emission reduction pathways to avoid dangerous interference with the climate system, will be guided by the latest consensus science.

(8) The Government is committed to ensuring at least 20 per cent of Australia’s electricity supply comes from renewable energy by 2020. Renewable energy will have a key role to play in reducing Australia’s energy-related greenhouse gas emissions over the long term.

The Government is providing support to increase uptake of renewable energy technologies, including through the $500 million Renewable Energy Fund to develop, commercialise and deploy renewable energy in Australia, and a $150 million Energy Innovation Fund to support clean energy technology research.

(9) The Government has committed to strong national action on climate change, setting a target to reduce emissions by 60 per cent on 2000 levels by 2050. The Government has committed to introducing a national emissions trading scheme in 2010, with design elements to be settled by end-2008.

The Government will establish an interim target at the end of this year following receipt of the Garnaut Review’s Final Report and the provision of Treasury modelling.

(10) The Treasury will provide input to the Garnaut Review in relation to the macroeconomic, sectoral and distributional impacts of greenhouse emissions reduction targets and trajectories on the Australian economy.

(11) Dealing with the climate change challenge is one of the highest priorities of the Australian Government. In my first act as Prime Minister, I ratified the Kyoto Protocol. The Australian Government played an important role at the 2007 UN Climate Change Conference in Bali, including chairing key ministerial negotiations and helping forge the agreement that launched a two-year international negotiation on an outcome to follow the end of the first Kyoto Protocol commitment period in 2012.

The Australian Government is playing an active and constructive role in negotiations with key countries in a range of high-level forums, and promoting an outcome that is equitable and environmentally effective.

(12) (a) Yes.

(b) I have met with many climate change experts, and will continue to do so. I consider each meeting request on its merits and depending on my availability. I am not aware of a meeting request from such a delegation.
Australian Broadcasting Corporation

(Question No. 411)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 14 April 2008:

(1) When did the Australian Broadcasting Corporation (ABC) commence its mobile news and information service.

(2) How many subscribers are currently subscribed to the mobile news and information service.

(3) How many subscribers did the ABC’s mobile election news have as at 24 November 2007.

(4) Was the mobile election news provided by way of SMS message updates; if so, how frequent were these updates and what was the content of each update.

(5) If the mobile election news was not provided by way of SMS message updates: (a) how was the service provided; (b) how frequently was the service provided; and (c) what was the content.

(6) (a) How is the mobile news and information service currently delivered; and (b) how frequently is it delivered to subscribers.

Senator Conroy—The answer to the honourable senator’s question is as follows:

(1) The ABC launched a mobile election news service as a trial in late October 2007.

(2) Approximately 7400 people have downloaded the application. It is not a subscription service and is provided as a free, downloadable application.

(3) By 24 November 2007, approximately 4500 people had downloaded the application.

(4) Election news was offered as an SMS service only on election night. Messages contained either the latest count in a chosen electorate, or a brief text describing the overall status. This descriptive message was updated about five times during the night; electorate count information was updated every two minutes.

(5) (a) Once the application was downloaded, users could retrieve content as they wished.

(b) The content made available for retrieval was refreshed at intervals appropriate to the content: election count updates every 2 minutes, news every 15 minutes, weather once a day.

(c) General news, commentary, weather, electoral news and electorate information.

(6) (a) The content continues to be made available once the application is downloaded.

(b) The content is drawn from online content and is updated at the same time.

International Assessment of Agricultural Knowledge, Science and Technology for Development

(Question No. 429)

Senator Allison asked the Minister representing the Minister for Foreign Affairs, upon notice, on 30 April 2008:

(1) Is it the case that Australia, along with Canada and the United States of America, refused to sign or adopt the final report of the United Nations International Assessment of Agricultural Knowledge, Science and Technology for Development, released in April 2008; if so, why.

(2) Does the report, produced by more than 400 of the world’s leading scientists, call for a fundamental change in farming practices in order to address soaring food prices, hunger, social inequities and environmental disaster.

(3) Does the report find that industrial agriculture has failed and that genetically-engineered crops are no solution to the problems of poverty, hunger or climate change.
(4) Does the report: (a) recommend small-scale farming and agro-ecological methods as the way forward in solving the current food crisis and meeting the needs of local communities; (b) state that Indigenous and local knowledge play as important a role as formal science; and (c) state that a significant departure from the destructive chemical-dependent, one size fits all model of industrial agriculture is needed.

(5) What, specifically, is it in this report that the Government disagrees with and why.

Senator Faulkner—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

(1) The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) produced an array of reports of a global and regional nature, including summaries and synthesis reports. Australia approved an overarching intergovernmental statement which acknowledged the importance of agricultural knowledge, science and technology (AKST) for development. While recognising the importance of the IAASTD in enhancing the role of AKST, Australia, together with Canada and the USA, did not fully support all of the wide range of options, observations and views presented in individual reports, and recorded its reservations accordingly.

(2) The IAASTD and its various component reports was a multi-disciplinary and multi-stakeholder exercise which went beyond purely scientific appraisals. The reports contained a wide range of scientific, economic, social, environmental and related policy observations and discussion points. It did not produce a single set of recommendations, but the need for changes in farming practices to meet current global and sub-global challenges was a significant feature in some of the reports. The nature of these changes was the subject of a range of options rather than a specific course of action.

(3) It would be oversimplifying the IAASTD to suggest that it categorically identifies industrial agriculture as having failed or that biotechnology (genetically modified crops) are no solution to the problems of poverty, hunger or climate change. There were a variety of positive and less positive views and observations amongst authors on these broad subjects.

(4) As with the answer above, the reports did not provide a single or an uncontested set of recommendations on these matters. The authors identified options on these topics as a basis for progress. Various views and observations, some of which were more strident than others, were put forward.

(5) As outlined above, Australia has been an active participant and supporter of the IAASTD process since the initiative began, and acknowledges many of the key observations in the reports. The wide range of observations and assertions in the reports, some of which were contradictory, meant that Australia could not accept or approve the reports in their entirety. Examples of subject matters where it was considered that the analysis lacked substance and balance in some instances included trade and domestic policy assertions and assessments of the potential role of biotechnology and GMOs. The appraisal of positive and negative impacts of AKST and its future prospects in the reports are seen as potentially misleading in parts with inadequate portrayal of positive impacts such as health and food security. Some of these matters would be better handled in international negotiating forums established for this purpose. These reservations should not however obscure the large amount of very useful material in the various reports, which the Government will use in future deliberations on AKST and its capacity to reduce poverty and hunger in developing countries.

Drug Imports

(Question No. 436)

Senator Allison asked the Minister representing the Minister for Home Affairs, upon notice, on 5 May 2008.

(1) Can the Minister explain whether advice provided to doctors and patients on the Therapeutic Goods Administration’s (TGA’s) frequently asked questions on access to unapproved drugs via the
Special Access Scheme is inconsistent with Part 5, Clause 11(b) of the Customs (Prohibited Imports) Regulations 1956 (the regulations).

(2) Since 1996, by year and drug, how many permits to import drugs in the ‘restricted goods’ category have been issued by the TGA (the date the amendment was made to the Therapeutic Goods Act 1989 to include a ‘restricted goods’ category and make the importation of these drugs under the Special Access Scheme subject to the regulations).

(3) Of the permits issued and surrendered to the Australian Customs Service (ACS) when the consignment arrives in Australia, how many and which have complied with Part 5, Clause 11(b) of the regulations.

(4) Who is responsible for ensuring that the Secretary of the Department of Health and Ageing and authorised persons in the TGA comply with Part 5, Clause 11(b) of the regulations.

(5) Does the ACS have any role in ensuring compliance with the regulations through an audit process, monitoring and reporting, given it is responsible for the administration of the regulations.

(6) Does the Chief Executive Officer (CEO) of ACS enforce compliance of the regulations with respect to Part 5, Clause 11(b) of the regulations; if so, how.

(7) Is the CEO of the ACS aware of any audits that have taken place on the TGA’s compliance with Part 5, Clause 11(b) of the regulations; if so, what were the dates of those audits and what were the results of the audits regarding compliance with Part 5, Clause 11(b) of the regulations.

(8) How many permits issued by the TGA were not subsequently surrendered to ACS.

(9) (a) How many of these cases included people who did not proceed with the importation following the issue of a permit due to the fact that the TGA has not complied with Part 5, Clause 11(b) of the regulations and they experienced difficulty in locating an overseas supplier as a result; and (b) of those people how many died before they could obtain information on overseas suppliers contact details and complete the importation process (see 2006 Estimates Hansard).

Senator Ludwig—The Minister for Home Affairs has provided the following answer to the honourable senator’s question:

The import of certain restricted drugs and substances is regulated under the Customs (Prohibited Imports) Regulations 1956 (the Prohibited Imports Regulations). Customs role is to enforce these regulations at the border and to ensure importers of controlled drugs and substances have the appropriate permission to import such goods. The regulations underpin the Government’s drug policies and allow it to meet international obligations and to prevent the import of potentially dangerous drugs into Australia. The policy for these controls and issuing of permits is the responsibility of the Department of Health and Ageing.

(1) The information on the Therapeutic Goods Administration’s (TGA) website is the responsibility of the Department of Health and Ageing. I am advised that Regulation 5, Paragraph 11(b) of the Prohibited Imports Regulations pertains to substances listed in Schedule 4 of the Regulations. Schedule 4 deals mainly with narcotics, drugs of addiction and precursors.

I am further advised that the advice provided to doctors and patients on the TGA’s frequently asked questions on access to unapproved drugs via the Special Access Scheme webpage is not inconsistent with Regulation 5, Paragraph 11(b) of the Regulations.

(2) This question should be directed to the Minister for Health and Ageing.

(3) The Department of Health and Ageing issues import permissions in accordance with Regulation 5 of the Prohibited Imports Regulations. Customs ensures that any permit issued under the regulation pertains to the goods that are being imported.

(4) This is a matter for the Minister for Health and Ageing.
(5) Customs is responsible for ensuring that restricted drugs and substances being imported have an appropriate permission. Customs also undertakes other compliance activities including post transaction audits of importers.

(6) Customs Officers exercise their powers under the Customs Act 1901 to ensure importers of restricted drugs and substances present a valid permission to Customs before the goods are released.

(7) No. The TGA is responsible for ensuring permits issued to importers are correct and valid. Customs role is to ensure importers present a valid permit for drugs that they import.

(8) This question should be directed to the Minister for Health and Ageing.

(9) This question should be directed to the Minister for Health and Ageing.

QUESTIONS ON NOTICE