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SITTING DAYS—2008

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

- **CANBERRA** 103.9 FM
- **SYDNEY** 630 AM
- **NEWCASTLE** 1458 AM
- **GOSFORD** 98.1 FM
- **BRISBANE** 936 AM
- **GOLD COAST** 95.7 FM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 747 AM
- **NORTHERN TASMANIA** 92.5 FM
- **DARWIN** 102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—SECOND PERIOD

Governor-General
His Excellency Major General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

Senate Officeholders

President—Senator Hon. Alan Baird Ferguson
Deputy President and Chair of Committees—Senator John Joseph Hogg
Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Hon. Christopher Martin Ellison

Senate Party Leaders and Whips

Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Leader of the Liberal Party of Australia—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Leader of the Nationals—Senator Hon. Nigel Gregory Scullion
Deputy Leader of the Nationals—Senator Hon. Ronald Leslie Doyle Boswell
Leader of the Australian Democrats—Senator Lynette Fay Allison
Leader of the Australian Greens—Senator Robert James Brown
Leader of the Family First Party—Senator Steve Fielding

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

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

Printed by authority of the Senate
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(1) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. Santo Santoro, resigned.
(2) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Richard Kenneth Robert Alston, resigned.
(3) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.
(4) Chosen by the Parliament of Tasmania to fill a casual vacancy vice Susan Mary Mackay, resigned.
(5) Chosen by the Parliament of South Australia to fill a casual vacancy vice Hon. Robert Murray Hill, resigned.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy vice Jeannie Margaret Ferris, died in office.
(7) Chosen by the Parliament of South Australia to fill a casual vacancy vice Hon. Amanda Eloise Vanstone, resigned.
(8) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Hon. Ian Gordon Campbell, resigned.
(9) Chosen by the Parliament of Tasmania to fill a casual vacancy vice Hon. Paul Henry Calvert, resigned.
(10) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Robert Francis Ray, resigned.

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

Heads of Parliamentary Departments
Clerk of the Senate—H Evans
Clerk of the House of Representatives—I C Harris
Secretary, Department of Parliamentary Services—A Thompson
RUDD MINISTRY

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

[The above ministers constitute the cabinet]
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<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
</tr>
<tr>
<td>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
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<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<tr>
<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Minister for Superannuation and Corporate Law</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<td>Minister for Youth and Minister for Sport</td>
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<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
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<td>Hon. Greg Combet AM, MP</td>
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<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Hon. Anthony Byrne MP</td>
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<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
<td>Senator Hon. Ursula Stephens</td>
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<td>Parliamentary Secretary to the Minister for Trade</td>
<td>Hon. John Murphy MP</td>
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<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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SHADOW MINISTRY

Leader of the Opposition Hon. Brendan Nelson MP
Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations Hon. Julie Bishop MP
Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government Hon. Warren Truss MP
Leader of the Opposition in the Senate and Shadow Minister for Defence Senator Hon. Nick Minchin
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research Senator Hon. Eric Abetz
Manager of Opposition Business in the House and Shadow Minister for Health and Ageing Hon. Malcolm Turnbull MP
Shadow Minister for Foreign Affairs Hon. Joe Hockey MP
Shadow Minister for Trade Hon. Andrew Robb MP
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector Hon. Ian Macfarlane MP
Shadow Minister for Agriculture, Fisheries and Forestry Hon. Tony Abbott MP
Shadow Minister for Human Services Senator Hon. Nigel Scullion
Shadow Minister for Education, Apprenticeships and Training Senator Hon. Helen Coonan
Shadow Minister for Climate Change, Environment and Urban Water Hon. Tony Smith MP
Shadow Minister for Finance, Competition Policy and Deregulation Hon. Greg Hunt MP
Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship Hon. Peter Dutton MP
Shadow Minister for Broadband, Communications and the Digital Economy Senator Hon. Chris Ellison
Shadow Attorney-General Hon. Bruce Billson MP
Shadow Minister for Resources and Energy and Shadow Minister for Tourism Senator Hon. George Brandis
Shadow Minister for Tourism Senator Hon. David Johnston
Shadow Minister for Regional Development, Water Security 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
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Wednesday, 25 June 2008

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

MIGRATION LEGISLATION AMENDMENT BILL (No. 1) 2008

First Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.31 am)—I move:

That the following bill be introduced: A Bill for an Act to amend the law relating to migration, and for other purposes.

Question agreed to.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.31 am)—I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.31 am)—I table the explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Migration Legislation Amendment Bill (No. 1) 2008 is an omnibus bill that will make over 100 amendments, spanning 4 Acts: the Migration Act 1958, the Australian Citizenship Act 2007, the Australian Citizenship (Transitionals and Consequentials) Act 2007 and the Customs Act 1901.

The aim of the bill is to clarify and improve the effectiveness of the Migration and Citizenship legislation by addressing and rectifying a range of problems that have been identified in the legislation over the years. It will also ensure that the citizenship legislation is consistent with Australia’s obligations under the United Nations Convention on the Reduction of Statelessness 1961.

The amendments will cover a wide range of subjects, from reinstating effective time limits for applying to the courts for judicial review of migration decisions, to changing a simple reference in the Australian Citizenship Act 2007 from ‘3 months’ to ‘90 days’, to achieve greater certainty.

The amendments in this bill are important and necessary, and in the case of the Migration Act, are long overdue.

The amendments to the Citizenship Act, which has now been in operation for about 12 months, rectify a number of issues that have been identified over that period. Rather than to allow these issues to accumulate over coming years, this government will deal with them now.

The amendments in this bill are too numerous to cover in this speech and so I will confine myself to the more notable amendments in each schedule.

Schedule 1 of the bill will, amongst other things, amend the Migration Act to reinstate effective time limits for applying to the courts for judicial review of migration decisions. Without effective time limits, there is an incentive for unsuccessful visa applicants to take advantage of litigation delays and wait until removal is imminent before lodging an application for review.

The current time limits in the Migration Act are largely ineffective as a result of the April 2007 High Court decision of Bodruddaza v Minister for Immigration and Multicultural Affairs and the July 2007 Full Federal Court decision of the Minister for Immigration and Citizenship v SZKKC. To overcome the problems identified in those decisions the amendments will allow 35 days for lodging an application to the Federal Magistrates Court, the Federal Court and the High Court for judicial review of a migration decision and also vest the courts with a broad discretion to extend time where it is necessary in the interests of the administration of justice to do so.

Further, the 35 day period will start to run from the time “the decision is taken to have been
made” rather than from the time of actual notification, which will ensure greater certainty in determining when time commenced to run.

The Schedule 1 amendments will also streamline the procedures for notifying parties of a decision of the Migration Review Tribunal – “the MRT” and the Refugee Review Tribunal – “the RRT” - by, amongst other things, removing the requirement for the Tribunals to “hand down” their decisions.

The handing down and current notification procedures have doubtful practical value and have been the source of considerable litigation over the years, often with far-reaching effects, including, on occasion, the potentially unlawful detention of non-citizens. The amendments in Schedule 1 will make the notification and merits review process simpler and reduce the risk of administrative error by removing the handing down requirement and providing that the Tribunals’ review decisions, other than oral decisions, are taken to be made on the date of the Tribunals’ written statement of the decision.

The amendments also provide that where two or more persons apply for review of a decision together, documents given by the Tribunals to any of the applicants are deemed to have been given to all of them. This will avoid uncertainty regarding notification of review applicants who have made or sought to make a combined application and is also consistent with subsection 52(3C) of the Migration Act, which applies to notification of visa decisions made by myself or my delegate.

Schedule 1 also includes amendments that will create a new position of Deputy Principal Member for the MRT. Currently the RRT includes the position of Deputy Principal Member but the MRT does not. As the Tribunals operate administratively as a single agency, and the Principal Member and other members are cross-appointed to both the RRT and MRT, it is anomalous for the position of Deputy Principal Member to exist in one Tribunal but not the other.

Schedule 2 to the bill contains measures to strengthen the provisions in the Migration Act and Customs Act relating to border protection to ensure that the Commonwealth can take appropriate and unified action across Departments when Australia’s border protection laws are contravened.

An important new measure in Schedule 2 of the bill relates to the requirement for operators of aircraft and ships to report on passengers and crew prior to entering Australia via the Advance Passenger Processing System. The amendments make it clear that an operator must report on each passenger and crew member individually. This is to ensure that operators take greater care in ensuring that every person on board the aircraft or ship is properly accounted for. The amendments also align reporting timeframes in the migration legislation with those prescribed in the customs legislation.

To ensure the government has in place practical methods for enforcing contraventions of these reporting requirements, Schedule 2 also establishes an infringement notice regime. This new regime is an alternative sanction to prosecution for failure to meet advance passenger and crew reporting requirements. This regime is expected to be less costly to administer and easier to implement, with the flow on effect of increased compliance with reporting obligations.

Schedule 3 of the bill will make a number of minor amendments to the Act to clarify and improve certain provisions relating to visas, including amendments to give greater certainty to the immigration status and immigration clearance of non-citizen children born in Australia; amendments to ensure that a security may be imposed for compliance with visa conditions before grant; and a range of other amendments to clarify the operation of certain provisions relating to bridging visas. The Schedule also includes amendments to more effectively harmonise a number of offences in Divisions 12 and 14A of Part 2 of the Act with the Criminal Code.

Schedule 4 to the bill includes measures that aim to increase protection for clients of my Department who engage offshore migration agents. There is currently a comprehensive scheme in the Migration Act administered by the Migration Agents Registration Authority for the registration and disciplining of migration agents operating in Australia, but it is impracticable and contrary to international law principles to extend this regulatory framework offshore and provide coercive
powers to the Authority to investigate actions taken overseas.

The amendments in Schedule 4 therefore use the authorised recipient provisions to regulate the activities of offshore migration agents, by providing that where an authorised recipient is giving immigration assistance and is not a registered migration agent, I or my delegate will not be compelled to communicate with them. This new power will provide my Department with the power to refuse to communicate with offshore migration agents, most of whom are unregistered, when there are concerns about their professionalism, competence, conduct or character. The measures will also provide a disincentive for clients to use such agents when there are these concerns.

This new statutory power is also designed to reinforce an administrative accreditation scheme that will be established to recognise offshore operators who deal professionally with clients of my Department. It is anticipated that the new statutory power will complement the administrative accreditation scheme by providing a sanction for unacceptable behaviour and more consumer protection for offshore clients.

Schedule 4 to the bill also amends the Migration Act so that the character cancellation provisions apply to all temporary and permanent transitional visas.

Where a visa applicant or visa holder does not pass the character test, I have been given the discretion to refuse or cancel a visa. In exercising this power, I have a responsibility to the Parliament and to the Australian community to protect the community from criminal or other reprehensible conduct and to refuse to grant visas, or cancel visas held by non-citizens whose actions are so abhorrent to the community that they should not be allowed to enter or remain within Australia.

It has always been intended that my powers would apply to all visas. However, doubt has been cast on this by the May 2007 Full Federal Court decision in Moore v Minister for Immigration and Citizenship in relation to transitional visas, both temporary and permanent, that came to be ‘held’ rather than ‘granted’.

Schedule 4 to the bill amends the Act so that the character cancellation provisions apply to all temporary and permanent transitional visas and provides validation of all past character cancellation decisions in relation to such visas. This maintains my ability to protect the Australian community.

Schedule 4 also clarifies section 193 of the Migration Act to ensure that an illegal foreign fisher or environmental offender can be removed from Australia if they have previously been granted a criminal justice visa or bridging visa while in remand or serving a custodial sentence. This minor amendment ensures this provision is consistent with its original policy intention, that an illegal foreign fisher and more recently an environmental offender should be removed from Australia as soon as possible after they become an unlawful non-citizen.

The amendments in Schedule 5 seek to clarify the meaning of certain provisions in the Australian Citizenship Act 2007 and the Australian Citizenship (Transitionals and Consequentials) Act 2007 and remove inconsistencies across the Acts. The amendments also aim to ensure that Australian citizenship law is consistent with our international obligations under the United Nations Convention on the Reduction of Statelessness 1961.

I commend the bill to the chamber.

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

BUSINESS

Consideration of Legislation

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.32 am)—At the request of Senator Ludwig, I move:

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

Governor-General Amendment (Salary and Superannuation) Bill 2008
Governance Review Implementation (AASB and AUASB) Bill 2008.
Question agreed to.

Rearrangement

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.32 am)—I move:
That government business notice of motion No. 3, approving a works proposal in the parliamentary zone, be postponed to a later hour.
Question agreed to

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS AND OTHER LEGISLATION AMENDMENT (2008 BUDGET AND OTHER MEASURES) BILL 2008
In Committee
Consideration resumed from 24 June.

The TEMPORARY CHAIRMAN (Senator Murray) (9.33 am)—The committee is considering an amendment, which is on revised sheet 5503, moved by Senator Siewert. The question is that the amendment moved by Senator Siewert be agreed to.

Senator SIEWERT (Western Australia) (9.33 am)—Members may recall that late last night I moved this amendment that relates to lifting the current tax-free ceiling on fringe benefits for public benevolent institutions, charities, not-for-profit hospitals and other relevant not-for-profit organisations. People will recall that I have highlighted already the value of the not-for-profit sector to the Australian community.

I find it very timely that today, in the Australian, Frank Quinlan, Executive Director of Catholic Social Services, has an opinion piece that talks about tax changes for church and charitable organisations. I will quote just a few parts of the comments that he makes in highlighting the importance to the community sector of raising this ceiling. He says:

For many, the term salary packaging conjures images of highly paid executives enjoying luxury cars, restaurant meals and other fringe benefits while avoiding paying their fair share of income tax.
But this scenario is far from the reality for the many people working in the charity and community sector.

He then says:
The salary-packaging program is voluntary, and is more administratively burdensome than paying simple salaries, but is attractive to the agency because it has the net result of delivering more services per dollar of funding received from all sources.

He goes on to say that the problem for the now Labor government, however, goes well beyond this current legislation. That goes to the issue I was talking about yesterday, which is the longer term viability of the sector.

He says:
They have inherited a community sector facing many challenges. Demand for services has never been higher. Competition for staff has never been greater. The long-term impact of competitive tendering during the past 20 years has squeezed far greater efficiencies from community services than have been achieved in government during the same period.

He continues:
However, even bigger questions arise from this crisis. Why is the community sector dependent upon special taxation arrangements, inconsistently applied exemptions and the good will of its workforce for viability? Should a sector that is delivering essential services to the most vulnerable members of the community have to rely on people of goodwill working for low salaries in programs that are in great demand but never adequately funded?

He asks:
Have governments delivered the reforms required in their own operations to allow the sector to flourish?

This points to the longer term crisis that the community sector is facing, which goes to
the issues I raised yesterday in my speech in the second reading debate. However, the point here with this particular amendment is that we need to acknowledge that the community sector is facing a crisis. It has a number of problems in attracting and retaining staff to deliver its services. I would remind the chamber that the sector represents over $50 billion worth of services to the Australian community, without which I do not believe we could function as a civil society.

The sector is saying that it needs this issue dealt with now, while we deal with the sector. That sector plays a vital part in the community in which we all live. Raising the cap now will not fix all of the sector’s issues, and I am not claiming that it does. However, the Greens are saying that, while the longer term issues are being dealt with, this will go a long way to relieving some of the tensions and pressures on the sector in the short term to enable it to deliver better salaries and support for its staff.

I was pleased that there is an acknowledgement, I believe, from government, as I articulated yesterday, reading from the media release by Senator Ursula Stephens, that they are:

… dedicated to a new era of partnership with the not-for-profit sector …

and that they:

… will continue to find new ways to support and promote the crucial work of the staff and volunteers within the sector in helping disadvantaged Australians.

I say to government and to the opposition: this is one new way—in fact, just a new amendment to an old way—of helping the sector right now in delivering increased salaries and better support for our community sector. That is why I moved the Greens amendment, which raises the cap to $40,000 for not-for-profit institutions and also deals with the issue of raising the cap for not-for-profit hospitals and other not-for-profit organisations.

Senator BERNARDI (South Australia) (9.38 am)—What I recall about the brief discussion last night that preceded this one was really a rather hysterical contribution by the Greens and Senator Siewert in which the opposition was accused of having a ‘bleeding heart’. If having a bleeding heart means putting pensioners and patriots first and foremost, that is an accusation that we will have to accept, because it certainly appears that there is a problem with the Greens in putting the interests of our seniors and our veterans first.

Whilst there is an attempt to address their focus on ferns and frangipanis rather than pensioners and patriots, in this amendment the Greens have failed to articulate the cost of this. There is an inclination from me and from the opposition to support these amendments because they are very important issues and they should be looked at more thoroughly, but we cannot accept these amendments in the absence of competent financial modelling, because to do so would be economically irresponsible. We cannot support the proposed changes unless there is some financial modelling which can be provided to us. If you have any, Senator Siewert, that you would like to provide to us—or, indeed, if the government does—we are happy to consider them, but until we have financial modelling we cannot support this amendment.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.40 am)—That is really a statement of defeat from the opposition. It cannot, of itself, do an analysis of a perfectly straightforward amendment because it is in opposition and it does not have access to the modellers that it previously had, so, rather than look at the merit of the amendment, the opposition is going to vote it down.
This is Senator Bernardi talking about the failure of the Greens, for goodness sake, to look after pensioners and veterans. He is talking across the chamber here to the Greens, who have pursued a proper remuneration for pensioners who live below the poverty line from the Howard government, which did nothing for them over 11 years and which left them languishing in poverty. Of course, they still are, because nor was anything done about their basic income and ability to get themselves good services in the current 2007-08 budget under the Labor government. The Greens have been fighting and will continue to fight a campaign for much better conditions and much better remuneration generally to come out of this parliament. We did not see that under the Howard government and so far we have not seen it under the Rudd government. Senator Siewert’s amendment here speaks for itself. It is easy for Senator Bernardi to debase this debate with throwaway terms like ‘ferns and frangipanis’. Frankly, it is a serious debate, Chair—you will appreciate that—and it deserves better than that sort of comment.

Senator SIEWERT (Western Australia) (9.42 am)—I would like first to address the issue of the modelling and the cost. Senator Bernardi, I am not sure if you were in the chamber when I articulated in my speech on the second reading yesterday that, according to the tax estimates by the Australian government for welfare services—and I am basing this on current prices from 1998-99 to 2005-06—the cost at the present time of the capped exemption for fringe benefits tax for public benevolent institutions is in fact $250 million, of a total expenditure of $25,000,000,740. So, as you can see, as I said last night, it is a relatively small proportion. If you just do the straight maths of increasing the cap by about a third, we are estimating that it is going to cost between $80 million and $100 million. Considering the value of the services that are delivered by this sector, which are worth over $50 billion—and I repeat again that that is a highly conservative estimate, based on the cost to the community services; if government were to deliver those, you would have to increase that price substantially—the Greens argue very strongly that an increase of expenditure of around $80 million to $100 million is a very, very cheap way to deliver these critical services to the Australian community.

As for the comments about my ‘hysterical’ outburst yesterday, let us put it in context. We are reinventing a little bit of history here, which is what I articulated last night. The Greens were the first party to come out and advocate for a rise in the pension for our pensioners. Let us make no mistake about this amendment. I was accused of supporting the government. I have actually looked at this legislation and understand what they are trying to do with the seniors card. If people’s incentives or benefits through the seniors card are altered with this change, they are certainly not pensioners, because pensioners will not come anywhere near meeting the ceiling on expenditure. So stop using emotive language, saying, ‘This is you cheating pensioners.’ It is a different issue.

Last night I said that if you are going to have a bleeding heart—and I am really happy that you changed from the way you were before—please deal with the issues that are actually affecting our community. As I said last night, because of the changes to the child support formula, right now there are hundreds of thousands of single parents, both mothers and fathers—although 85 per cent of single parents are mothers—who are suffering. When that legislation was changed, we knew this was coming down the track. But we did not know the size of the impact, because adequate modelling was not done. The interaction with Welfare to Work was not done. Where was the concern for the thou-
sands of the lowest paid and lowest income earning members of our community? Where was the concern for the kinship carers that were impacted tremendously by Welfare to Work provisions? Where was the care for pensioners when their income in real terms keeps falling behind? That is the point I made.

As I said, I am really glad that there has been a change of heart, and one of the ways that you can demonstrate it is by supporting this amendment. As I said, the figures that we have been able to get hold of to date show that at this stage the expenditure is $250 million. That would go up by $80 million to $100 million. That is cheap. That is a cheap way of buying all the resources and commitment and support that the community sector give to this community. I think I have heard general support around the chamber for the community sector and the absolutely crucial and valuable work that they do. This is a way that we can support that work while the long-term solutions are found.

I am not pretending that this is the way that we can deal with the crisis that faces the sector. It releases a bit of steam from the pressure points that the community sector are facing. But if we do not address this issue we are going to be seeing a community sector more and more in crisis. As I said last night, I have been inundated with emails from people saying, ‘Good on you,’ and giving me examples—I articulated some of them last night—of what the issues are that are facing the sector and how important it is that we start addressing these issues.

Senator BERNARDI (South Australia) (9.47 am)—Senator Siewert, no-one doubts your genuine and very real interest in this sector and your concern about the welfare of people. Please do not misinterpret what we say in that regard. But we have to be mindful that this is a new era. This is a time when we are looking forward. You should stop looking in the rear-vision mirror at what has been done before and start to look at what can be done in the future.

One thing we cannot resile from is the simple fact that we have to make prudent financial decisions based on good information. I respect the fact that you have quoted a cost of $80 million to $100 million, but, with all respect, we cannot rely on that. We need some actual modelling on the financial implications of the suggested amendment. So we empathise, in principle, very strongly with the intent of your amendment. Do not get me wrong on that. But we need to know the financial impact of the amendment before we can consider supporting such a measure. In the absence of that financial modelling on the costs, we cannot responsibly support the amendment.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.48 am)—It is going to be interesting to see the opposition arguing for its own amendments, the many amendments that it will move in the next three years, if it is going to want the level of financial modelling that Senator Bernardi is calling for. Senator Siewert has pointed out that the Greens amendment is going to save much more money, through the delivery of services, than the alternatives—if the government is going to consider delivering those services. The fact is that there is a very clear and cogent argument here that this is the right thing to do. The end result is the delivery of services and the assurance of services that would be much more expensive if you were to look for alternatives.

If the opposition wants to vote this down it is doing the wrong thing by the community sector and by the people whose services are at stake here. If the opposition is going to argue in this place: ‘We’ll vote against this because we don’t know what we’re doing;
we don’t have the fine assessment of the costs of doing this,’ it is going to find itself in difficulty bringing forward innovation to legislation over the next couple of years and it is going to find itself voting against much-needed innovation in the Senate. This is a meritorious amendment and it ought to be supported.

Senator SIEWERT (Western Australia) (9.50 am)—I will just add to that. While I would like to continue just to look forward, as Senator Bernardi has said, unfortunately the fact is that these organisations are dealing with people who are suffering as a result of policies that were brought in when the opposition was in government. So, as much as I do not want to look in the rear-vision mirror either, the fact is that we are dealing with the legacy of some of the policies that were brought in. These organisations are dealing with that. I am not saying all of them, so do not try and misquote me, but certainly they are dealing with some of the consequences of the policies that were brought in—that is, they are dealing with families who are struggling to make ends meet and are some of the most disadvantaged in our community.

I find it disingenuous, I must say, to say that there is not enough modelling to show what the cost of this is going to be. I was quoting Treasury figures to show the cost of this. I am quoting published figures when I quote the value of this sector to the community. Hiding behind modelling and the lack of it is, I think, disingenuous. You can go and say to the community sector, ‘We would have supported it but we didn’t have the modelling.’ You did not have the modelling when you brought in a whole lot of other changes either but you brought them in anyway. I am sorry; you cannot just wipe the past, because we live with the consequences now. These organisations are dealing with the consequences now. What is $80 million to $100 million to the $50 billion that the sector contributes? As I said, I think that is a conservative value.

This sector is there slogging it out day-in, day-out, 24/7. You are hiding behind the lack of modelling to support this so you can say, ‘We would have supported it but they haven’t done the modelling.’ If you had been doing the job at the time, this would have been indexed. And it has not been. I do not want to get into a brawl across the chamber about this, because I think this should be above politics, but you have now suddenly discovered that there are people out there who are suffering, when some of us have known that for years and years. Those who work with these people have known this for years and years, and it is time that we did something about it. This is one way that we can start to deliver these services. You know what? I do not need the modelling to tell me that if these sectors have to fold up—if these sectors cannot carry out the work they do with, for example, the aged—the government will have a hell of a bigger bill in years to come. I do not need to model it to tell you that. Anybody can tell you, without the modelling, that if the sector cannot continue their work government will be picking up the bill—and it will be a lot more than $100 million. This community sector is worth more than petty bickering around whether there is a model to tell how much extra this will cost when we know a ballpark figure.

The TEMPORARY CHAIRMAN (Senator Murray)—Just a reminder, Senator Siewert, please address your remarks through the chair.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (9.54 am)—I remind those who are interested in this debate that we are here this morning discussing
the Australian Greens amendment on indexing the threshold for fringe benefits. I concur with so much of what Senator Siewert has said, but I have to say from the outset that, unfortunately, the government cannot support this amendment. I would like to explain why that is the case. First of all, this is not the right place. This is not the right legislation to discuss such an important issue. The idea that we would deal with such a significant issue for the sector in such a piecemeal way does the sector a great disservice. This is a Families, Housing, Community Services and Indigenous Affairs bill. The intent of the bill, and the reason that we have it here before us, is to address the consequences of the previous government’s decision in respect of the use of the gross value of reportable fringe benefits on the not-for-profit sector and to restore the use of the net value of fringe benefits in the definition of adjusted taxable income for determining family assistance.

The amendment to this legislation that you have brought before us actually belongs in a financial bill, the taxation bill. Having said that, so much of what you said this morning is of critical importance to the sector. You quoted Mr Quinlan, from the Catholic Social Services, in his opinion piece in the Australian today. The issue that he raises in that article is fundamental to the way in which the government wants to deal with the sector in the future. The question that he posed about why the community sector would have to be dependent upon these special taxation arrangements, inconsistently applied exemptions and goodwill for its workforce viability is a profound question that we want to address.

In respect of the way in which we are intending to engage with the sector in the future, let me outline some things that will perhaps give you some assurance that we are not going to hang the sector out to dry. First of all, at the recent ACOSS conference I announced that we were going to work towards the development of a national compact with the sector, and that would be about re-engaging in a respectful working relationship and partnership with the sector on service delivery.

Secondly, we have announced that we will refer to the Productivity Commission a reference around developing a tool to measure and understand both the social and economic contributions of the sector. When we do understand those in real terms, and the extent to which the sector contributes to the social, environmental and economic life of the nation, we will all be able to advocate much more strongly for the sector.

Thirdly, Senator Murray and Senator Allison provided a reference on the regulatory framework, compliance and transparency around the charities and not-for-profit sector to the Senate Standing Committee on Economics. The terms of reference go to a range of issues that you raised here this morning and last night in your second reading contribution, so I think the sector itself will be able to articulate very clearly to government its real concerns and what they see as better ways that the government can respond to the real pressures that confront the sector.

Finally, on the issue of the complexity of the interaction of the tax and income support systems, which we have referred to the comprehensive review of Australia’s future tax system being led by the Treasury secretary, Mr Henry: the review will examine the issues and make recommendations to create a tax structure that will deal with them quite specifically for the sector but more broadly for Australia. As the Prime Minister has said, this will be a root and branch review of the Australian taxation system, and I will be advocating very strongly that the sector’s interests are very clearly considered in that review. So, at this stage, we will not support
your amendment—not because we do not believe that what you are proposing is critically important but because it cannot be done in such a piecemeal way. To do it in this way would actually be a disservice to the sector.

Senator SIEWERT (Western Australia) (9.59 am)—I thank the minister for her answer. While I do not disagree with any of the measures that the minister has just outlined in terms of dealing with the long-term issues and the re-engagement, the compact—the minister is probably aware that it is something the Greens have been advocating for a long time—the issues around the Productivity Commission, the referral to a committee and the Henry review are all really good initiatives, but none of them are going to deliver right now.

Some of these initiatives are two or three years down the track—18 months, I think, at best. Even if the Senate committee delivers before that, it will be some time before the government responds. So we are talking about measures that are a couple of years down the track, when the crisis is now. Organisations, charities and not-for-profits are struggling to keep their staff. So many of their staff are walking out the door or retiring, and they cannot find replacements. Try telling the sector when their staff are walking out the door and they are struggling to make ends meet: ‘It’s okay. We’ll fix up your problems in two or three years time.’ I have had anecdotal feedback that for some organisations that will be too late. This may not be the best piece of legislation to deal with this issue, but this is a crisis that needs to be dealt with now, so we should grab what is available—and that is certainly what I have done.

This issue came up in the committee inquiry into the legislation, and the committee review focused on it. This amendment is one way that the government can take pressure off the community sector while it carries out its reviews. The Standing Committee on Finance and Public Administration made a recommendation around this issue. I acknowledge that the committee did not say that the issue had to be dealt with straightaway, but the committee raised it as an issue that needed to be dealt with. I think it should be dealt with now and not put off to the never-never. As I said before, we need to provide some short-term relief for this situation, and this amendment is one way of achieving that. I do not resile from the fact that there needs to be work done in the longer term. I said that in my contribution to the debate on the second reading. I also said it last night, and I am saying it now. I acknowledge the work that the government is doing, but it is not enough to deal with the immediate crisis.

I would like to ask the minister: what is the government’s response to the committee’s recommendation on this issue? If I understand the committee’s recommendation properly, they thought it should be dealt with in a shorter time frame than that set out by the minister in these four initiatives.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (10.02 am)—Thank you, Senator Siewert, for your observations. In relation to the concerns of the sector, you would know that I have been in very deep conversation with representatives of the sector on this and other issues for well over a year now and that I have been working towards a much broader approach to how we will deal with these issues.

These issues have been raised with me in every forum around Australia that I have been involved with. The not-for-profit roundtable presented very coherent arguments on a range of regulatory issues, not just on fringe benefits tax. There is also the work that is
being done by the Australian Centre for Philanthropy and Nonprofit Studies at the Queensland University of Technology and Professor Miles McGregor-Lowndes. All have contributed to a deeper and more fundamental understanding of the sector, its role, its contributions and its challenges. My advice from the department, which may be helpful to you in the short term, is that the 2007 tax expenditure statement reports that the current capped FBT exemptions for PBIs, certain public and non-profit hospitals and the partial rebate for certain non-profit, non-government bodies have an estimated revenue cost of $740 million in 2008-09; $775 million in 2009-10; and $805 million in 2010-11. So we would be talking about a significant and substantial impost if we were to change the fringe benefits threshold in the way in which you are proposing in this legislation.

My concern for the sector is that we need to find some way of responding in the short term, and that is not going to be at the fringes of the fringe benefits tax. We will try to provide some substantive support for the sector, probably in the next budget or the budget after that, which is when we will be able to do something substantial and sustainable that will have a long-term impact for the sector.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.04 am)—I thank Senator Stephens for that submission to the committee. Frankly, I am glad that she is the parliamentary secretary for this matter, because she does have an understanding of it. She is obviously very sympathetic to the sector and has her heart in the matter, and that is fundamental to this portfolio.

My concern for the sector is that we need to find some way of responding in the short term, and that is not going to be at the fringes of the fringe benefits tax. We will try to provide some substantive support for the sector, probably in the next budget or the budget after that, which is when we will be able to do something substantial and sustainable that will have a long-term impact for the sector.

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I want to raise a couple of issues. The first is in relation to the comment that this is not the place for Senator Siewert’s amendment to be brought forward, because it is a piece-meal approach. I have just had a quick look at the legislation, and it deals with more than a dozen different adjustments to legislation or to other matters. It is a piece-meal bill itself. It is trying to pick up on a whole range of issues and to fix them in one way or another. It is the ideal place for Senator Siewert to bring forward this amendment. The Greens are not the generator of the major legislation in this field. It is the task of the crossbench and smaller parties to take the opportunity where they can to improve legislation, and that is exactly what Senator Siewert is doing here. It is the proper place for it.

The second matter concerns the costing. Senator Stephens has just talked about projections for the next three years of less than $1 billion each year. Let us put that into the context of tax cuts, which largely benefit the wealthy in this country, of $507 billion over the coming three years from the last budget and this year’s budget. You suddenly get a sense of proportion of the priorities of what is a self-proclaimed fiscally conservative Rudd government in the matter. I would have thought the priority should be in this area, not in the multibillion dollar tax cuts which have been afforded to people—as you know, Mr Temporary Chairman Murray—who are in the top income-earning brackets in our country. And, by the way, it is an inflationary matter at that, which is not going to help at all the sector that Senator Siewert is coming to the aid of.

Finally, there is the business of this being done on the run and not being properly costed. I do not want to anticipate an order of the day, but we will be dealing again with the Tax Laws Amendment (2008 Measures No. 1) Bill 2008 a little later in committee, and we dealt with that last night. There we have a classic case of a multimillion dollar windfall to investors from the big end of town that is not costed and potentially has the perverse
outcome of making greenhouse gas emissions into the atmosphere worse, not better. It has been done totally on the run; it has been done for vested interests by those who have an enormous amount of lobbying power in this parliament—much greater than the social justice sector that we are dealing with in this legislation. I challenge Senator Bernardi or any member of the opposition to say what the costing on that is. The government does not know, and certainly the opposition does not. But that is going to go through a little later, if I have my ear to the ground right. So we have this extraordinary dissonance or disjuncture of argument: when it comes to the social sector, let us make it comprehensive, let us wait a year or two, let us make sure that we have our costings right and that it is all integrated and in an omnibus bill, do not do it piecemeal; but when it comes to the big end of town—no problems—rush it in, have no costing, no due diligence and no discussion with the community; both parties will get together and push it through. I ask you.

Senator SIEWERT (Western Australia) (10.09 am)—I would like to request the minister to table the figures she just quoted, because the figures that I quoted were from the Australian Institute of Health and Welfare report, Australia’s welfare 2007, and her figures are clearly different from the figures that are available from that survey. So I would appreciate those figures and I wonder if she could provide a breakdown of those figures that she quoted, because, as I said, they are substantially different from the figures that the Australian Institute of Health and Welfare quoted in their report.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (10.09 am)—I am quoting from the Treasury’s 2007 Tax Expenditure Statement. I have with me only the summary, so I am not too sure whether or not it breaks it down by sector, but I can find that out for you.

Senator SIEWERT (Western Australia) (10.10 am)—That is one of the issues that the community and the sector have—that often these figures are not broken down, so the figures that we have to rely on are the figures from the Australian Institute of Health and Welfare. This goes to the issue of how budget estimates are done, and I do not want to spend too much time reflecting on that. But that is the problem, and when Senator Bernardi says, ‘Do some modelling’, we are providing figures that are publicly available and that the sector uses for its decision making. So, that is perhaps an issue that also needs to be addressed.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (10.10 am)—Thank you for that, Senator Siewert, because that is exactly what we are doing—having deep, long, extensive discussions with the representatives of the sector, with ACOSS, with the not-for-profit roundtable and with some of the academics who are researching these issues. We do need to understand, so once that work is done I am happy to share some of it with you.

Senator SIEWERT (Western Australia) (10.11 am)—I thank the parliamentary secretary representing the minister for that. I am aware of the discussions that are going on with the sector and I applaud that because the sector certainly needs that sort of engagement and support. My concern is that while the talks go on the crises that I have been talking about are facing the sector and are not being adequately dealt with. The parliamentary secretary will know, from her
engagement with the sector, that those are real, pressing issues right now and there needs to be something done in the shorter term to deal with those issues. I appreciate that they picked up on the unintended consequences. In fact, last night we passed the amendment dealing with the issue of gross versus net FBT, but that is only a part of it. That issue had not hit the sector—it was coming down at them but it had not quite hit them—but the sector is nearing crisis in terms of being able to attract and keep staff. So, even without the FBT issue that was about to come down on top of them—although it was starting to impact a little, because I am aware of examples where staff decided not to take jobs because they had been advised by Centrelink of the forthcoming changes to FBT—that was not a factor, at that time, in the issues that are facing the sector.

Again, I repeat that talking is good, but it is not the only thing that needs to be done. We need to turn it into action. What is going to be done in the short term to help aged-care providers, for example, deal with the issues of their staff leaving, of not getting paid and of the decreasing real value of their take-home package because this cap has not been indexed from 2000? As I understood it, it was, at the time, the government’s intention to index. That is what I have been told. It did not happen, so while the cap remains at $30,000, as I said last night, if it had been indexed it would now be worth $38,000. That was if it had been indexed with CPI. If they had used AWOTI, it would be over $43,000. That is a real impact on people who are working in these sectors. They are saying, ‘Please, can you deal with this now while you deal with the longer term issues?’ They really appreciate that the longer term issues are being dealt with, but it is no use dealing with the long-term issues if some of these organisations are going to have to cease providing the services that are being provided now.

Senator BERNARDI (South Australia) (10.13 am)—It is becoming very clear that we are not going to get any agreement on this particular set of amendments, but I think we agree that the Greens, the government and the opposition want to undertake a comprehensive review of taxation matters as they apply specifically to this sector of the community. I know the government has the Henry review and the opposition has the Ergas review. We support the reference of these issues to the economics committee so that we can have a full examination of them. The opposition welcomes Senator Stephens’ comments and commends the use of the Productivity Commission in reviewing this area. It just begs the question: why is the Productivity Commission sidelined in other important reviews, such as the motor vehicle manufacturing industry review? That is a subject for another time.

Senator Siewert, we all want to see a result here. We want to see that people will not be substantially disadvantaged by, as you mentioned, unintended consequences. That is what we have tried to address, and we made those amendments last night. In the absence of financial modelling that is agreed to across the parties—and we have had two very different figures quoted; I understand where you are getting your information from, Senator Siewert, and I understand where Senator Stephens is getting her information from—the fact is we should work collaboratively on getting the best result here and make it happen as expediently as possible. I am very happy to work with you in that regard and to try and bring something back into this chamber later in the year, so that people are not disadvantaged. I mean that quite genuinely and I am sure the government would as well. I think we need to address these issues as comprehensively as we
possibly can, and I would like to think that we can do that by working together, but not on these amendments, because we do not have all the information we need.

Senator SIEWERT (Western Australia) (10.16 am)—Obviously, I am disappointed that the opposition is indicating that it will not be supporting these amendments now. I do appreciate the sentiment that Senator Bernardi has just expressed. You can guarantee that I am not going to let this issue drop, because it needs to be dealt with urgently as a short-term measure, as I have already said—and I will not go back over it again—while the longer term issues are being discussed. As I said, we support the longer term issues. I think it is a very good move, but we do need to deal with this issue immediately. I thank the senator for his indication of intent to discuss this further—if I interpret what he has said properly. I look forward to that. I hope we can find some way of working with government, because I think this issue should be above politics. We should start addressing it as a matter of urgency, so that people in the sector can actually move to some modicum of a degree of better salary and better resources with which to carry out the vital work that they do.

Question put:

That the amendment (Senator Siewert’s) be agreed to.

The committee divided. [10.22 am]

(The Temporary Chairman—Senator AJM Murray)

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AYES

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

NOES

Adams, J. Barnett, G.
Bernardi, C. Birmingham, S.
Boyce, S. Brandis, G.H.
Brown, C.L. Bushby, D.C.
Carr, K.J. Colbeck, R.
Collins, J. Conroy, S.M.
Cormann, M.H.P. Crossin, P.M.
Eggleston, A. Ellison, C.M.
Fifield, M.P. Fisher, M.J.
Hogg, J.J. Hurley, A.
Kemp, C.R. Kirk, L.
Lundy, K.A. Macdonald, I.
Marshall, G. McEwen, A.
McGauran, J.J.J. McLucas, J.E.
Moore, C. O’Brien, K.W.K.
Parry, S. Patterson, K.C.
Payne, M.A. Poile, H.
Ronaldson, M. Stephens, U.
Troeth, J.M. Trood, R.B.
Webber, R. * Worley, D.

* denotes teller

Question negatived.

Senator SIEWERT (Western Australia) (10.25 am)—Greens amendment (3) was really consequential on the previous amendments.

The TEMPORARY CHAIRMAN (Senator Murray)—Senator Siewert, may I interrupt you, because you need to be clear on this matter. My understanding is that that amendment can stand alone, but if it were consequential to the previous one you would need to drop it.

Senator SIEWERT—Sorry, Mr Temporary Chairman, the running sheet is a bit misleading. Amendment (3) is in fact not consequential to amendment (2); it relates to indexation. I move Greens amendment (3) on sheet 5503 revised:

(3) Schedule 6, page 42 (after line 27), after item 20, insert:

20G After section 124A

Insert:

124AA Indexation of amounts
This amendment relates to indexation of the cap. I appreciate that we have exercised these issues extensively during the previous debate but, as I articulated during the debate, the cap has not been indexed since 2000. The Greens are therefore seeking to put in place an indexation mechanism so that the cap is not left at the $30,000 limit. Of course, it would have been preferable if the indexation were occurring to a cap that was in fact $40,000 rather than $30,000. I will not go through the arguments again because, as I said, I think we have covered them pretty extensively. I commend this amendment to the chamber because it will go part way to dealing with the issues that we have previously discussed.

Question negatived.

The TEMPORARY CHAIRMAN—I advise you, Senator Siewert, that the last amendment falls away because it is consequential. The question now is that the bill, as amended, be agreed to, subject to a request.

Question agreed to.

Bill, as amended, agreed to, subject to a request.

Bill reported with an amendment and with a request; report adopted.

PASSENGER MOVEMENT CHARGE 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 BARNETT (Tasmania) (10.29 am)—I stand today on behalf of Liberal senators to note at first instance that we have had a meeting of the Legal and Constitutional Affairs Committee on this matter and also to note that that report has been tabled and is available for the public record. I want up-front to thank the members of the committee secretariat—Peter Hallahan in particular, and his team—for their professional and swift action to pull this report together in the time available. We have had a good deal of deliberation over the passenger movement charge, which is commonly referred to and known as the departure tax. We do not agree with this particular increase in the passenger movement charge and we are of the view that the increase is very poorly timed, it is excessive in the circumstances and it has certainly been insufficiently explained by the government in their legislative proposal. We will not be opposing the Passenger Movement Charge Amendment Bill 2008, because it is a budget measure of the government, but nonetheless we are deeply concerned about a number of issues that were raised in evidence to the committee. I would like to draw these to the attention of the Senate.

First of all, there is the adverse impact on tourism and the aviation industry. This was consistent in all the evidence put to our committee. I want to recognise the various submitters and witnesses before our committee: the Board of Airline Representatives of Australia; the Australian Airports Association; the Australian Tourism Export Council; Adelaide Airport, which had representatives appear; and the International Air Transport Association, which made a very telling submission about the impact on air transport across the globe and the very precarious position it is in. We had a short submission and evidence from the Australian Customs Service, which I will come to shortly. The Tourism and Transport Forum, which were well represented, well presented and very professional, gave a very cogent submission. We also had a submission from Virgin Blue Australia.

In terms of the adverse impact on tourism, and the fact that it could not have come at a worse time, this is what they said—this is very serious. We had representatives of the tourism industry, airlines and airport operators, as I indicated. They argued that the increased charge, taken together with other increased charges in the federal Labor budget, such as the increased visa-processing charges for non-electronic travel authority markets, could not have come at a worse time for the industry. And what have the government done about it? What modelling, what impact assessments have they done on this charge and its impact on the industry? They have done nothing. And what consultation has occurred with respect to this charge, a very hefty increase indeed of some 25 per cent? There has been no consultation whatsoever. That is on the record. I asked that particular question of all the witnesses I could. The answer was none; there was no consultation.

The tourism industry at the moment is under considerable pressure. They are pressured due to a range of external factors such as the high Australian dollar and high oil prices, which have been leading to higher fuel charges for the airlines. Of course it is hard; it is a very stressful time at the moment. The opposition senators acknowledge this, and we want to put on the record that we are concerned for the industry. We are not convinced that the government has sufficiently considered the impact of this increased charge on this important but currently beleaguered export industry. I want to note here and now that this industry is the second-largest earner of export income for our country. That should be well noted. We want to thank the tourism industry for their
work, their advocacy and their impact and benefits throughout Australia. Conditions now are very different from when the charge was last increased, and there is a real risk that the increase will decrease the Australian tourism industry’s ability to compete in a highly competitive and price sensitive market.

Opposition senators were particularly concerned with the evidence from the Tourism and Transport Forum that government fees and taxes significantly inflate ticket prices. This is a concern not just for the industry but for consumers. The Tourism and Transport Forum told the committee:

If we add in the passenger movement charge with the visa application fees and the other multiple fees that are levied, it is topping out at over 20 per cent of the ticket, and we know that the ticket is the barrier to travel to Australia, so we suspect it is significant.

The International Air Transport Association sent in a submission at very short notice, and we thank them for that. They told the committee that studies that they were aware of had shown that a 10 per cent increase in the cost of travel can lead to a 15 per cent reduction in travel demand. As I have indicated, it is a 24 per cent increase in the charge that this government is imposing upon the industry. It is a very large increase. The government have admitted that they have not undertaken any modelling of the impact of the increased charge to determine the extent to which government charges are decreasing the competitiveness of the tourism industry. I am pleased to say that it is not just the Liberal senators who have this view. The chairman’s report demonstrates and all senators are of the view that there is a need for that modelling to be undertaken as soon as possible.

On the issue of transparency and accountability, there is one great, big, gaping hole in this legislative program from the government. Virtually all the submissions and evidence that we received focused on an alleged lack of transparency in relation to the PMC and a lack of accountability concerning how funds purportedly raised for purposes such as the provision of Customs services are spent.

Several witnesses and submitters also contended that the PMC overcollects, a matter of concern to opposition senators. I will come to that again shortly. I have indicated that there was an entire lack of consultation with the industry and industry representatives. That is a great disappointment to Liberal senators. We hope that the government will improve its act in terms of ensuring that consultation is reignited and occurs. In terms of the lack of transparency and confusion about policy objectives, Virgin Blue made some key points, and those are set out in our report; I will not go into them now.

There are concerns about the fact that all of the key airports around Australia have now been privatised. They are all now in private hands, apart from the Cairns airport; they are privately owned. And the Australian Customs Service and other government agencies—Quarantine and Immigration but also, particularly, Customs—pay no rent for the facilities they use and the services they receive. This was a view that was strongly supported by Adelaide Airport in evidence to the committee. The Australian Airports Association said in its evidence:

... post privatisation and in a true commercial sense it would give some clarity to what Customs, Quarantine and Immigration actually need to identify, and it would give them some commercial responsibility to account for the spaces that they need to do their job.

The AAA said that tens of millions of dollars of free facilities were offered to the Australian government each year. Certainly, senators on this side of the chamber—those with a business background in particular—know full well the importance of transparency and
accountability. These are private operators. Why should they be offering these facilities for free to the government just because their airport was previously owned by the government? It is not right. It is not appropriate, and we think it is an unfair deal. We want to draw it to the attention of the government so that a fair deal can be pursued in the months and years ahead.

The Board of Airline Representatives of Australia put forward a set of guiding equity and transparency principles relating to efficiency, user-pays and equity, public accountability, transparency and quality of service. We have made a recommendation to support those guidelines and the implementation of them. We thank the Board of Airline Representatives of Australia for their evidence in that regard.

The evidence to the committee from the Tourism and Transport Forum Australia said that there was an underestimation of total revenue over the four-year period. As you know, the government has estimated a revenue stream of $459.3 million over that four-year period. Well, the TTF disagree. They say that is an underestimation and that the total revenue over that period would be something like $600 million. Have the government got their figures right? I know Senator Ronaldson yesterday in a debate was talking about the government’s shambolic approach to the administration of the affairs of this country. We have to ask: have the government got their figures right? The TTF would say not. They say there is an underestimation by $140-odd million over four years. Time will tell. Be assured that, through the budget estimates process, we will pursue the department and this government to find out if they have sharpened their pencil or if they are taking a lackadaisical approach and acting in a dilatory manner.

The need for transparency is very important. We have drawn a number of conclusions in the Liberal senators’ report which we bring to the attention of the Senate. We will not oppose this measure, because it is a budget measure, but we do urge the government to give urgent consideration to the following. The first issue is deferring the increase in the PMC by 12 months, as requested by the Australian Tourism Export Council. Matt Hingerty put forward a very strong argument to the committee. He said, together with other witnesses, that this could not have come at a worse time in the history of the tourism industry—a 24 per cent increase, plucked out of the air, just like that. It is a tax measure where a lot of these moneys are going into general revenue.

I know there was Australian National Audit Office Audit report No. 1 1996-97, which said that there was an overcollection of, I think, some $19 million. That is a lot of money. So, is it a cost recovery measure or is it a tax? What is it? Can this government explain to the industry, the consumers and this parliament whether it is a cost recovery measure or a tax? If it is both, could they please explain exactly how much money they are collecting for cost recovery purposes for Customs, Quarantine and Immigration? Once we know what that figure is, we know what the overcollection figure is and what is going into general revenue. We need that transparency, and I want the government to come clean and explain that to the Australian people.

The Australian Tourism Export Council recommended a deferral, and we have recommended that modelling be commissioned on the impact of the increased PMC charge to determine the extent to which government charges are decreasing the competitiveness of the Australian tourism industry. Fortunately, that has been picked up by all senators, and I thank Senator Crossin.
Marshall and others who were involved in the debate for supporting that particular recommendation. I certainly acknowledge and thank Senator Mary Jo Fisher. I also thank Senator Russell Trood for his support with respect to this particular report.

Our third recommendation is for the implementation of a user-pays system for services, infrastructure and floor spaces occupied which are currently provided without charge at airports. Again, this is consistent with our view that there should be transparency and accountability. The government have got to come clean. These are private operators; these are small and large businesses, and they are providing these services at the moment free of charge to the government. The government might say, ‘This is what happened in the past.’ Well, the fact is that these airports in the past were primarily owned by the government. They are now privately owned.

Senator Marshall—In the last six months?

Senator Barnett—Whether it has been in the last six months, Senator Marshall, or over the last six years really does not matter. You are in government. It is a whole new ball game. It is a new chapter. You are responsible and you need to stand accountable. Do not just say, ‘This is what it was like years ago.’ You know full well that these businesses are propping up the government by providing these services for free, and there is no accountability. And even if it is for free, you should at least know what the costs are to Quarantine, Immigration and Customs. To what extent are they benefiting from the taxpayer?

Finally, on behalf of the Liberal senators, I have indicated that the government should adopt similar transparency and accountability principles to those outlined by the Board of Airline Representatives of Australia. A lot of key points have been made, and we hope that the government will listen either now, in the second reading debate, or in the committee stage, and actually answer some of the questions that have been put to the departmental officials. I can see that at least some of the departmental officials are here in the advisers box, and I hope that the government will take the opportunity to seek their advice, get answers to some of these questions and provide those answers in this second reading debate, or in the committee stage, so that we know exactly where we stand and there is transparency with respect to this. In conclusion, moving from $38 to $47 is a huge increase in the passenger movement charge, commonly referred to as the departure tax. That is a 24 per cent increase in one hit, and industry does not like it. We certainly express sincere and legitimate concern for them and on their behalf, and on behalf of the travelling public in Australia. I thank the Senate for that opportunity and I know that Senator Macdonald and others on this side of the chamber have similar concerns.

Senator IAN MACDONALD (Queensland) (10.45 am)—The Passenger Movement Charge Amendment Bill 2008 is yet another bill which conclusively shows that this government is just another high-taxing, financially incompetent Labor government—the sort of government we have come to expect from the Labor Party over many decades. It is a government without any real compassion or care and it is a government which will preside over a huge increase in unemployment—even their own budget figures indicate that. It is a government which will see business bankruptcies increase quite dramatically and it is a government which will throw many hard-working Australians onto the welfare market. One would almost think that the Labor Party is happiest when it is dishing out money to people and having people dependent upon the government...
rather than dependent upon their own hard work and initiative. The sort of Australia that we have known over the last 11 years, where enterprise and hard work was encouraged and rewarded, will again disappear under a Labor government. Business confidence is at its lowest level in 16 years. This legislation before the parliament is another example of why those problems will be confronting Australia over the next several years.

I bring to this debate a particular Northern Australian viewpoint. The area around Cairns, which includes the Great Barrier Reef and the wet tropics rainforest, has long been a preferred destination for international tourists, but the tourism industry is now in real difficulty. The huge increases in oil prices are really having an impact on tourism and on any sort of activity in areas that are remote from the capital cities or which rely on transport from international sources. In spite of Mr Rudd promising before the last election that he would bring down oil prices, we now see oil prices at their highest level on record. Rather than do anything about it, rather than adopt the opposition’s approach and cut excise by 5c, the Labor government sits on its hands and watches. Before the OPEC meeting last week we had the same sort of talk as we had before the election. Mr Rudd was going to send his minister to put the blowtorch to OPEC countries, but they barely got a whimper from Australia and, of course, there was no progress. The sorts of activities over which the Labor Party is presiding will destroy many of the businesses and activities that have built Australia so wonderfully in the last 11 years.

It is quite clear in the Cairns area that tourism is in difficulty. The exchange rate has meant that tourists from Japan, who were a very big part of the Cairns tourism boom over the last decade or so, are finding it not as financially attractive to come to Australia. Add to that the high price of fuel and the fact that QANTAS, because it has those fuel and wages constraints, is now cutting services quite substantially in and out of Cairns. The last nail in the coffin is this government raising the tourism tax by $9 at this time. This will have a substantial impact on the Cairns tourism industry and indeed the tourism industry right across Northern Australia and Australia as a whole. The impact of this additional tax by the Labor government will not be seen for a few months, but it will be there. I understand that the difficulties with this particular measure will be long felt in regions like Cairns. Cairns International Airport was substantially modified and upgraded by the Fraser government many years ago and became a real mecca for international tourism, but it is now struggling under the continued imposts made by the Labor government and the exchange rate. What the industry in Cairns needs is a new approach to governance that will seriously help the tourism industry. It is suggested to me by people in the north that the best thing that the government could do would be to completely abolish the passenger movement charges. That would be the single most helpful thing the government could do.

What did the Queensland Labor government do when Qantas made its shock announcement a couple of weeks ago? They said—would you believe—‘We’ll throw in $4 million for an advertising campaign to help Cairns.’ That is of no assistance at all. Not to be outdone, a few days later the federal government announced—very belatedly, because the local member, Mr Turnour, was missing in action at this crucial time—that it would match the Queensland government’s $4 million. So we have this pool of $8 million, which, as anyone in the advertising industry knows, will not go very far at all. That is not what Cairns wants; that is not what Northern Australia wants. We need a different approach to the whole issue. The best
thing the government could do would be not to increase the passenger movement charge but to abolish it altogether. I am given to understand that, if the passenger movement charge were abolished, the gross domestic product just in the tropical North Queensland region would increase by something like $60 million to $70 million by the year 2013. It is a difficult issue for the tourism industry generally, but it is a particularly difficult issue for the tourism industry across Northern Australia.

As the Senate Standing Committee on Legal and Constitutional Affairs report that has been presented to parliament clearly shows, export tourism operators are under extreme pressure at the present time because of the increasing oil price and subsequent reductions in aviation capacity; the strength of the dollar; inflationary aspects resulting from labour, food and beverage cost initiatives—I will come back to that; and external events, such as the Olympic Games and the liberalisation of visa requirements. But they are also suffering competition from places like New Zealand, where the international departure fee is only $25. In Australia, we have a departure tax that is almost double that amount. We cannot even keep pace with our cousins in New Zealand.

While Mr Rudd, prior to the election, promised Australians that he would bring down grocery prices, we have seen anything but that since, and this has had an indirect and ongoing impact on the tourism industry. They are getting attacked from every angle, and what does this government do in its first budget? It simply adds another nail in the coffin of the tourism industry in Australia. But this government does not care. It is not interested in the tourism industry, because the tourism industry is principally made up of small business operators and mum and dad shows—people who work much longer than union hours, I might say, to get ahead. They have enterprise; they have initiative; they want to work hard; they want to look towards their future without government assistance. But this government is not interested in those sorts of people, and this increase in the passenger movement charge simply exemplifies that.

As the Australian Tourism Export Council told the committee:

It is the small businesses in regional parts of Australia in particular that go first. And that is happening as we speak. We have got to the point now where even that strategy for absorbing the costs has come to the end of its cycle and my members now have to pass on to the customer the price increase ...

That, of course, means a less competitive tourism market for Australia. The Tourism Export Council also said that the impact of the increased charges was compounded by other budget measures which it considered also had a negative impact on the tourism industry. They identified a number of these additional impacts, which they said—and it is mentioned somewhere in the report—will add $1 billion of costs onto the tourism industry in Australia.

Representatives of the Tourism and Transport Forum said this to the committee:

We have a rationalisation of air services routes by our domestic carriers, we have historically high fuel prices, we have a high Australian dollar and there are potential trade barriers on long-haul travel emerging from the European Union. There are significant issues facing the tourism and aviation industry and so the timing of the PMC increase—

on the part of this inexperienced Labor government—

could not have been worse.

The promises and the comments that Mr Rudd made before the election that led Australian people to believe that he would reduce oil prices and reduce grocery prices have just been shown to be a complete and
utter sham. As we go through the cycle of this three-year Labor government, we will continue to see that sort of insensitivity to business and to job creation. We will continue to see the sort of spin for which after seven months Mr Rudd is already becoming renowned. It is at last getting through to the Australian people that good governance requires decent action and good management skills, not just good media-spin skills. This particular bill here today is another example of everything that is wrong with Labor governments: they simply cannot be trusted with money.

This is a budget bill. I am delighted that the coalition insisted on referring this bill to a committee even though, because it was a budget bill, the committee reporting time frame was very short. That, of course, prevented a number of people who would have liked to have given evidence to the committee from getting in a submission and being able to appear, but at least this Senate did its job by looking at government legislation. We do not want to be destructive. We recognise that, even under false pretences, the Labor Party were elected as the government and should be allowed to govern. This is one of their budget bills. Although we do not like it, we are not going to oppose it, because it is a budget bill.

However, I am delighted that the coalition was able to insist that this bill go for scrutiny by a Senate committee—that is what Senate committees are about. They are about subjecting government legislation to scrutiny and giving Australians the opportunity to point out to the government the mistakes it has made. Whilst those deficiencies have been pointed out, it is quite clear that any comments to that effect fall on deaf ears when it comes to this Labor government. But at least Australians have had that opportunity.

If the government had any sense or any real concern for Australia into the future, especially over the next couple of years, it would take notice of the report, particularly the part for which the Liberal senators on that committee were responsible for. They have summarised the concerns that were raised at committee hearings. If the Labor government had any sense, it would do something about this bill. As I say, it should withdraw it now and look not just at the additional tax it can shove in its pocket at the moment but also at the ongoing impacts this sort of legislation will have.

We can see that this is just a tax. Some attempt was made by the Labor Party to say that this is to cover costs. But, again, the evidence to the committee clearly shows that the increased revenue from this measure far outweighs the cost that is required. In fact, the figures show that border security, which this was supposed to assist, is impacted to a greater degree by the budget; there are cuts in real terms to the customs department and to other border security measures but, at the same time, the tax to allegedly pay for these has increased.

This new tax by the Labor Party is like the alcopops tax; it is all about taxing Australians. It has been demonstrated clearly that the alcopops tax has nothing to do with binge drinking, which seems to concern Mr Rudd so much—and well it should, I might say. It is really not about that, because the evidence has shown that that tax will have very little impact, and it is the wrong approach if we want to address binge drinking. Similarly, this additional tax on the tourism industry, on small business, is just revenue raising by the Labor Party, with no benefit being returned to the Australian nation or its small business people, who constitute the principal part of the tourism industry.
The Cairns tourism industry and tourism industries right across Australia will continue to operate. They will succeed in spite of this adversity and in spite of what seems to be increasing antipathy from the Labor Party and the Labor government. They will succeed because they are hardworking, initiative-driven people. Whilst things will be pretty tough for them over the next little while, they will hang in there. But this government should be doing things to help them. It should be doing things to increase the economies of regional Australia, of Northern Australia, rather than trying to decimate those economies by this additional tax on small business and on Australians.

Senator BOSWELL (Queensland) (11.04 am)—My remarks on the Passenger Movement Charge Amendment Bill 2008 follow on from those of Senator Macdonald, who is a very loyal Queenslander. He is from North Queensland and he is expressing concern at what is happening there with the downturn in the tourism industry. Yesterday, by chance, I rang a North Queenslander, a person who owns a trawler. We were discussing prawns and so forth. I said to him, ‘Well, how are things going in North Queensland?’ He said: ‘Terrible. The prawners are in trouble because of the high dollar and the price of fuel. The sugarcane industry is in huge trouble because of the value of the dollar and the price of fuel; with every tonne of sugar they produce, they lose $30.’ Then he got on to the tourist industry. He said, ‘Well, if you think primary industry is hurting in North Queensland, the tourist industry is in diabolical trouble.’ He then said, ‘So generally in North Queensland it’s a pretty sad story for the sugarcane industry, the tourist industry, the prawning industry and other industries that use fuel.’

A government should be taking these things into consideration. The tourism industry is a competitive one. The tourism industry in North Queensland has competitors, and the competition is fierce. The tourism industry is one the largest employers in Australia and never more so than in North Queensland. Anyone travelling around that area and staying in a hotel will see various little people movers coming around in the mornings. Some will take people out for white water rafting, some will take people out to the reefs and some will take people up into the tablelands. The whole of Cairns, the whole of North Queensland, is built on the tourism industry. When I first went up there in the sixties, it was basically a sugar town and a town that serviced the stations west of Cairns. That has all disappeared in the last 30 years. It is tourism, tourism, tourism. These are the people who are going to get hurt. You do not kick a person when he is down, and this passenger movement tax is actually kicking the tourism industry when it is lying on the ground.

We were told that the Labor government have put $4 million in. The federal government matched it with another $4 million for an advertising campaign. That will help, and it is welcome, but what Australia needs and what North Queensland needs is those tourist planes coming in, one after another, from Japan and from overseas more generally. That is not happening now, and consequently North Queensland is in diabolical trouble.

The Labor Party find it difficult. They cannot help themselves. It seems to me that, when they go to Labor Party school, the first thing they learn is tax: ‘You must tax. Anything that moves, you tax it. If it doesn’t move, you still tax it.’ We have found out just in these short six months of government that, so far, Labor have ordered $2.9 billion of tax increases. This is just another tax increase that the Labor government have put forward. What is the Minister for Tourism doing? Why wouldn’t Mr Turnour, the member for Leichhardt in North Queensland, ar-
gue fiercely that this is an imposition on his electorate and get in there and defend the reason for not putting on a passenger movement tax?

Cairns is just a microcosm of all of Australia. Australia depends on the tourist industry. Tourism is one of the biggest industries, one of the biggest employers, in Australia. This is going to impact not only in North Queensland but right throughout Australia at a time when tourism is suffering because of the high dollar. Surely you people over there can understand these things. Surely the government must understand that tourism equals a high rate of employment. What is going to affect tourism? It is the dollar. How do we offset that when the planes have stopped coming in? ‘Oh, we’ll tax it more. We’ll just hit it with another tax and another tax.’ The effect is that there is less and less tourism coming in and higher and higher taxes. It is just unbelievable that people could think in those sorts of terms.

Another example of the taxation—and we cut this one off at the pass—was the road user charge. No wonder the National Party stood up and argued very strongly against that, because the effect of the diesel charge was going to see excise go from 19.63c a litre to 21c a litre, and the government also proposed that the excise be indexed on an annual road cost adjustment. In other words, Labor was supporting an indexation of fuel at a time when Australia is totally worried about the increasing cost of fuel. That is most important to the National Party, because every time fuel goes up the price of groceries goes up. It does not only go up as it goes up in the metropolitan areas, in the cities; that increase is multiplied many times by the time that groceries, sheets of iron, station equipment, farming equipment and so forth are transported out to the west. The multiplication of that increases so that people bear a much heavier burden from the price of products that go out.

We have seen a $2.9 billion increase in taxation—the taxation grab—in Queensland. Who is going to pay this tax? It will be the people who come in, but inadvertently it will be the people in the tourism industry who lose their jobs, lose their businesses and lose their employees. I do not think the Labor Party have thought through the ramifications of this taxation. We have seen that time and time again. Since the Labor Party have come into power, we have seen the legislation that goes through here.

Just last night was a great example of absolute, total confusion reigning in the Labor Party. Two hundred thousand workers were reduced in salary—the most deserving workers in Australia, the charity workers. Two hundred thousand of them were going to lose $50 a week. I understood this, because it started to happen about a month ago, when people started to ring my office and say, ‘I’ve got a letter from the department saying that my benefits are going to be reduced.’ I sprang into action, started to make inquiries and issued press releases, but it did not register with the government. It just continued to roll on, until last night the panic button was hit, and we had to come in here and put through legislation that would reverse the incompetence of the Labor Party. There does not seem to be any thought in the process about what is going to happen. We see 200,000 charity workers slugged $50 a week, then we all get on the pumps last night and bail like crazy to bail them out so that they get their—

Senator Conroy—It was your bill.

Senator BOSWELL—Senator Conroy says that it is our bill. Senator Conroy, you have got to understand this. You go to the polls, and the people make a decision. The people made the decision: they elected you.
You put the legislation in. You put the amendments in. You sent the letters out. It is game, set and match. It is your fault. You are the government now. If you do not think you are competent to govern, I think you should go and resign and tell the people that you are just not competent to handle these technical amendments.

Senator Conroy—It was you who voted for it!

Senator BOSWELL—I did not vote for it. I was the one who rang the bell on you. I was the one who continued to ask questions in estimates and in this place, time and time again. Not only that, you are going to do it again with salary sacrificing. You are lining up for another 200,000 people who are going to have their benefits cut, and you will be back in this parliament within another couple of weeks saying: ‘Oh, this was an unintended consequence. We didn’t mean to do this. This is terrible.’

Senator Conroy interjecting—

Senator BOSWELL—Senator, it was your legislation that went through last night. It was your amended bill that went through. It was your government that sent the letters out to 200,000 workers and said, ‘Sorry about this. We just took $50 a week off you charity workers.’ Then you ran up against the nurses union, which nearly ripped you to pieces—and rightly so. They are the consequences of the things that you continually do and the legislation that you continually put up in this parliament. No doubt we will be back here when we come to the salary sacrifice measure, because people are going to lose benefits. We were told last night that 20,000-odd people were going to lose benefits on health cards, baby bonuses and a number of other things. I have been trying to get that information out of the government for the last month and I have been spectacularly unsuccessful in getting it.

What I am trying to convey to the Senate today is that, again, we have a piece of legislation that has unintended consequences, and the consequences can be clearly seen. It is going to put up the tax on passenger movements significantly. We are going to pass this bill. We believe that if the government are silly enough to do this and it is part of their budget and the people elected the government then they have a right to pass their legislation. So we will be passing this. We have carried amendments making it not retrospective on tickets that have been sold. That was a bit of a win. In the overall scheme of things it is a plus; it is a positive. But it is not going to make a great deal of difference in the end.

I am not sure whether the coal industry or the tourism industry is our biggest industry—Senator Joyce might be able to inform me—but you have to nurture those industries. You have to cuddle them in. You have to make sure that nothing happens to them. When something is producing so much income for Australia—and foreign income—you can see the writing on the wall. The dollar is going through the roof. It is affecting not only the tourism industry but every primary industry that exports a product. When you see it happening, the alarm bells should ring.

I have always thought Senator Conroy was a reasonably good operator. I know that many of my colleagues over here do not share that view. I think they are being a bit uncharitable. But Senator Conroy should be looking at this at the cabinet table, when these proposals are put up. I know he is the minister for communications, but that does not exclude him from making a comment.

Senator Brandis—He is just slow to do that.

Senator BOSWELL—Well, he should be making comments, because he has one of the highest positions in this land. He should be
saying, ‘Prime Minister, I think we had better have another look at this. How is this going to impact on the tourism industry?’ I have never thought of him as a yes man. I have always thought that he would argue his case. But someone is letting a lot of these things through. Mr Rudd may not like criticism; he may not like opposition to his ideas. But, Senator Conroy, it is up to you as a sworn minister in cabinet to put your hand up sometimes and say, ‘Prime Minister, putting these passenger charges up is going to have a huge impact on the tourism industry. Do you think we should just defer it or do you think we should have a look at it? Do you think we should get someone in to tell us what to do about it?’ But it does not seem that anyone in the cabinet is prepared to challenge the Prime Minister or to challenge anyone. Maybe you are all just interested in your own little bailiwicks and your own little fiefdoms. Something is not right in cabinet, because these things continue to—

Senator Fisher—Chaos rules.

Senator BOSWELL—Yes, Senator, you are probably right: chaos rules. But this could be a lesson to cabinet in future. Last night could be another lesson. There is a future lesson coming up on salary sacrifice. We are going to be in for another salutary lesson. We continue to go down this course of head down, tail up, and no-one gives anything any degree of thought. I cannot say strongly enough that we are going to have to vote for this whether we like it or not. We cannot knock all of the government’s budget over. We have to let them make their own mistakes. They are the government, and we cannot hold their hand and block things that they want. We are going to have to let some of these things go through.

We will find that this is going to have a huge impact on the tourism industry, which is already suffering. North Queensland, in particular, has just had a triple whammy. The fishing fleet is just about all tied up there. People are terribly worried. Then you have the sugar industry, where they are losing about $30 a tonne. They have to keep their farms going because if they do not they will not keep the mills going, and if the mills close they do not have a future. It is not that they want to do it, but they have to do it. They have to keep the mills going and lose money. And then of course there is the tourism industry. So North Queensland is really going to be hit very, very hard. I do not know what more I can say.

Senator Conroy—Not as hard as when the National Party vote themselves out of existence.

Senator BOSWELL—Don’t you worry about the National Party, Senator Conroy. I would think that you would have enough worries on your plate to keep the cabinet and the government worried for the next two years. You are in chaos at the moment, and this is just going to add to the chaos. I do not think you guys in cabinet are actually pulling your weight, to be perfectly frank. I do not know what is going on in cabinet—I would like to know what is going on—but it does not seem there is any rational discussion on any bill that comes up. ‘We put a bill up, we talk about it, we put our hand up,’ and then, ‘Yes, Prime Minister, you’re right.’ But then we in this parliament have to sort out the mess. This is one for you guys. We are not going to sort this one out for you. You are going to wear it. You are going to wear it in North Queensland. You are going to wear it in the seat of Leichhardt. You are going to wear it in the seat of Dawson, when the people up there have less and less tourism because you keep putting more and more taxes on. The consequences will be that you will lose that seat. If that is the way you want to go, good luck to you. We will be there,
ready to take them back again. I oppose this bill but I am not going to vote against it.

Senator FISHER (South Australia) (11.23 am)—I rise to reiterate and emphasise the comments made by coalition colleagues as a member of the Senate Standing Committee on Legal and Constitutional Affairs, which inquired into the Passenger Movement Charge Amendment Bill 2008. I thank the industry, as have my colleagues, for the very genuine evidence given to the committee, albeit at very short notice. I want to highlight some of the evidence that they gave to the committee. This is an industry that has faced three significant changes over some years: firstly, the transition in ownership of airports, largely from public to private; secondly, emerging threats to national and international security, threats of an economic nature and, in particular, threats to travelling at large; thirdly, the industry shares with the Australian public the experience of a new federal government, led by a Prime Minister that has promised the Australian electorate to deliver evidence based policy.

Evidence based policy requires three things: first, clear articulation of the purpose for which the policy is being proposed—the why; second, clear economic analysis of the impact that the policy will have—clear economic modelling that underpins the policy; and, third, a clear mechanism to monitor the progress of the policy, to track its impact over the projected period of time and, equally as importantly, to ensure that the policy achieves its stated objectives. Whilst the coalition will not oppose this legislation, we are concerned that the Rudd government is failing, as with other measures, to deliver the promised economic based policy. Prime Minister Rudd has failed to instruct his cabinet, his ministers, on how to implement evidence based policy 101. I will put my views as to how. First, the government has failed to clearly outline the reasons for the increase in the passenger movement charge. Is it for cost recovery purposes, or is it a tax? If it is for cost recovery purposes, then why did the minister say in his second reading speech that this increase is, in part, to fund national security, yet he did not say what the other parts are that will be funded?

Particularly given the changes that are being faced by the industry, it is incumbent on the government to answer the question posed in evidence before the committee by some witnesses that, to the extent that national security does need to be funded, it should be funded on a user pays basis and on the basis that the user is the Australian public writ large, as opposed to the traveller. Particularly given the changed circumstances being faced by this sector, it is incumbent on the Rudd government to answer that question. I am disappointed that the majority report from the committee has failed to do that, so I look forward to hearing about the answer to that question in the ensuing debate.

To the extent that the increase in this passenger movement charge may be to fund in part national security, then what are the other bits and pieces that are being funded? If this is not a cost recovery mechanism but a tax, then come out and say so. If it is in part cost recovery and in part tax, then come out and tell the Australian public so. We wait to hear the clearly articulated reasons for the policy, the first step in evidence based policy 101. On the second step, economic modelling to underpin the implementation of this policy and the increase in the passenger movement charge: we heard from the witnesses that there has been no modelling of the impact that this increase will have on the travelling public, on the tourism sector and on Australians at large. In my case in particular, being a senator for South Australia, I was very concerned to hear evidence from Mr Phil Baker, from the Adelaide Airports Corporation, as to his concerns about the particular
impact of this increase on people who travel through Adelaide. Irrespective of the fact that it is a flat increase nationally, Mr Baker gave evidence that this increase would impact particularly on passengers likely to transition through Adelaide, given the comparison of the South Australian market with the market nationally.

I look forward to the government providing the economic modelling of the impact of this measure on the travelling public and on the Australian community. I also look forward to their delivering transparency and accountability in the appropriation or the expenditure of the money. Clear evidence from the witnesses was, thus far: there is none. Indeed, how can there be when the government on its own say-so is unsure of the reason for which this policy is being implemented? That is what one inevitably has to conclude, from the information on the public record at this stage. If it be not so, I look forward to hearing from the minister as to the clearly articulated purpose for the increase in the passenger movement charge.

It is no answer for the government to say, as they have attempted to say: ‘We’re just continuing what you did.’ It is no answer from my colleagues opposite, or the government, to say that, because, as I have said, we have had transition in ownership of airports from public to private over a number of years; we have an industry that is facing new and emerging threats; and we have a new federal government with a Prime Minister who has promised delivery of evidence based policy.

I call on the Australian government to tell the Australian people and to show the Australian people the why, what and how of this increase in the passenger movement charge. Tell them the why. Tell the Australian people and show the Australian people the what. Show the Australian people how the increase will impact on the tourism sector and the Australian community. Show them which bits of the increase will go where. Be transparent and deliver on the Prime Minister’s promise to deliver evidenced based policy.

Senator JOYCE (Queensland) (11.31 am)—The increase in the passenger movement charge, as proposed in the Passenger Movement Charge Amendment Bill 2008, is an extremely important issue. I want to reinforce the imperative that we must look after Australia’s tourism industry, especially in my state and in the state of Senator Brandis, Senator Macdonald and Senator Boswell—the state of Queensland. Tourism represents about 3.9 per cent of Australia’s GDP. It is a vast industry that generates $23 billion worth of exports and employs about 480,000 people. The tourism industry, especially in North Queensland, has some serious problems now. The price of fuel has been an incredible dampener on the capacity of people to come to Australia. Without those people coming to our nation, there is a huge hole in the economy, especially for places like Cairns. We have to remember these areas rely on things such as sugarcane farming, tourism and fishing, and then it starts to wind down. The economies of towns, especially those in the far north—Airlie Beach, Port Douglas and Cairns—and also on the Gold Coast, have been built around tourism. Anything that we do in these precarious international economic circumstances can make it even more difficult for people to come to Australia and be part of our nation and of what we have to offer, and that has a huge economic cost.

What is also very galling about the bill is that we are apparently looking at a cost recovery mechanism. It is one of these Labor Party cost recovery mechanisms. It is very
similar to the alcopops tax. I believe that the government is going to collect another $100 million with the increase of $9 with this charge. The point is: why can’t we get clear numbers on how this is cost recovery? I do not think the government can prove it. If the government cannot prove it then it is not so much cost recovery but another tax.

Senator Fisher—Exactly.

Senator JOYCE—Yes. The most important thing here is that we must stand up for a bit of honesty and transparency and move away from a certain, dare I say it, deceitfulness where taxes are brought in under the guise of national security. You know what they always say about patriotism: it is the last refuge of a scoundrel. This charge is the tax of a scoundrel. The government says: ‘We must cover the costs of increased security measures but we can’t table them. The reason we can’t table them is that they don’t exist.’ This is in fact just another mechanism to collect money for the government.

This charge is a double whammy. There is a tipping point with charges. If you keep putting charges on, you will get to the point where they do make a difference: people make a decision not to come here. When they make a decision not to come here, they go somewhere else and enjoy their holidays in Hawaii or in Bali or wherever. It is an extremely competitive market. We have a big problem with the Japanese. They have started moving away from Australia, their former attraction. One might suggest that this has not been helped lately by the leading officer of this nation and his snub of Japan at the start of his exposure in that office. As the Japanese are moving away from the north, there is a huge hole emerging in the North Queensland economy. So, far from putting a tax on movement, we should be encouraging it. We should be making travel as affordable as possible and doing everything in our power to encourage people back to our nation. It just stands to reason that, the more affordable you make a destination, the more it will stimulate the economy and the more benefit you will get from the greater income stream into the nation by our being an affordable destination.

The Labor government has also been completely incapable of dealing with the fuel crisis. The price of fuel is also a huge inhibitor in the tourism industry of Northern Australia. The Labor government has come up with no real policy to deal with the fact that a fundamental underwriter of our economy, the price of fuel, is moving to a point where, without a shadow of a doubt, we will head into a recession. If we continue to put these downward pressures on the Australian dollar by making Australia less affordable to travellers from overseas, and if we start to get a devaluation in the Australian dollar, then the current indictment of the Australian motorist paying for fuel at $1.70 could easily blow out to $2.50 and $3.

Just think of it; the maths is quite simple. I remember locking the $1 in when the exchange rate was getting close to US$0.50. If that pressure were to continue, then the cost of fuel, which underpins the tourism industry, the agricultural industry and the mining industry, could take them to a tipping point where the underlying economy of those industries would become unviable and, of course, the economy would crash. I believe we would have a recession like we have never seen in living memory.

This is something that you would have thought the Labor Party would, during their 2020 Summit, have gone into bat for. That would have been something constructive to come out of the 2020 Summit—the idea of a new form of supply, a new mechanism to drive down the price of fuel by increasing supply. But instead we get other things, such
as this bill before us today that does completely the opposite. This is in a market where we are trying to encourage people to come to our nation and to help underpin the economy—especially in the north; and I am talking about the remote north of Australia. The economy in the remote north has been created on the promise of a certain income stream from tourism. Now that that income stream from tourism has had a huge hole put in it, the whole financing capacity of that capital infrastructure has also got a major problem before it. Why would we bring forward a bill that is going to add to the problems? If this bill is truly for security measures—and we know it is not, because they cannot be tabled—why doesn’t it bring some transparency and honesty? Surely, after the alcopops fiasco, you would think that the government would realise that Australia was catching on to this idea that if you just bang on a tax and give it a romantic name, everybody will swallow it. Well, they are not anymore. It is interesting to see now that even Family First and a whole range of people are now awake to where the Labor government is on certain issues and how they try to weasel these taxes in.

Senator Brandis—Typical Labor government; they always do.

Senator Joyce—Yes, that is correct, Senator Brandis. I am sure that my good colleague Senator Brandis would agree that we always thought it would take a little longer before the Labor Party got clever and tricky; but it did not take long at all. They immediately started taking the Australian people for granted and became clever and tricky instantaneously. It was interesting reading through the speeches in the other place. I noticed that the Minister for Resources and Energy and the Minister for Tourism had not made a contribution to the debate by the time Mr Ciobo made his speech. It is a crucial issue in his portfolio and he did not show up. Maybe he appeared later on. It is vitally important that we see how the Labor government are going to deal with this—amongst a whole range of other problems that they seem to have stewardship of at the moment or have managed to exacerbate. You cannot deal with problems by creating a new tax.

During the campaign, Labor grabbed on to something former Prime Minister John Howard said. They accused him and tried to drag him backwards and forwards through the prickles because he said that working families had never been better off. There is a very clear question that has to be asked now. I strongly believe that working families were better off under John Howard than they are now, with what is happening to them. Working families now, under the government, are certainly worse off. Working families now are certainly paying more for fuel. Working families now are certainly paying more for groceries. Working families now have to deal with the tourism industry that is in decline. Working families now have to deal with the impost of ridiculous taxes that the government are trying to place on them, such as the alcopops tax. Working families now have to deal with the ridiculous issue of changes in the Medicare levy surcharge that is coming forward, so more people are going to be pushed into public hospitals and working families will not have the capacity with the problems they have got. The government are going to make the problems worse. These are the sorts of issues that I believe are coming into clear focus for working families—what the world looks like now under Mr Rudd and the Labor government. That is why it is important that, with this piece of legislation, we clearly understand that this will become yet another impost—another mechanism that will make things worse for Australia.

I can understand it, especially around the unfortunate circumstances of September 11 and the increase in charges that was required.
to maintain the security of our airports. That is understandable. One now has to ask, with regard to the capital that is currently in place: do we see a greater reason for this sort of increase in the charge? It will be another $106.3 million in 2008-09 alone. Sometimes in this job these numbers just roll off the tongue. We have to understand that when that money disappears—because there is an opportunity cost—from places such as North Queensland, shops go out of business, tourism operators go out of business, and there are a whole range of things. You give the people who have the smarts in the industry—the tour operators in Japan, the tour operators in China, the tour operators in the Middle East, the tour operators in Europe—another reason to select another destination. And when they select another destination, that is another amount of money that is taken out of the Australian economy, not to be replaced.

In closing, I would say that you have to be extremely careful, especially in the north of our great state of Queensland, of the sorts of unforeseen implications of policy from certain pieces of legislation. These unforeseen outcomes may not be apparent when the ink is on the paper, but become very apparent for the people of those areas when the rubber hits the road. The rubber has hit the road for the tourism industry, and there are other issues on the horizon for North Queensland and other areas that we need to be completely aware of. Even though the government has to, I suppose, run the show and it has to get its appropriations through, I think that this bill before us is not good law.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.45 am)—In the absence of Senator Conroy—he may attend the chamber shortly—I will attempt to sum up for the government. The government did understand that Senator McGauran was going to speak, and I now understand that he has decided not to speak at the last minute.

In relation to a couple of issues raised by Senator Fisher and Senator Joyce suggesting this is just a tax, the advice I have received is that passenger movement charge is a cost recovery levy imposed under a taxation act, rather than a fee-for-service levy. The PMC was reclassified as a tax in the MYEFO, based on ABS classifications. Revenue raised by the passenger movement charge is paid into consolidated revenue, as are other tax receipts, and it is not hypothecated to the Australian Customs Service, the Department of Immigration and Citizenship, the Australian Quarantine and Inspection Service or the Australian Federal Police. If the chamber does not mind, I will yield the floor to Senator Conroy, who, I am sure, can sum up much more eloquently than I.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.45 am)—I know that you mean that, Senator Brandis. I note that the matters raised in debate were similar to the comments raised by the opposition senators in their report. Customs have provided detailed figures in their submissions to the committee, indicating what is spent on processing passengers. They have been very transparent about it—so, that information has been supplied. The government will not be deferring or abolishing the commencement

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of the charge. As said in the other place, and reiterated in the standing committee report, this is a measured increase in line with CPI. Moreover, it will assist with the huge cost of aviation security necessary to ensure the safety and security of tourists, and Australia’s reputation as a safe destination.

The Customs budget is around $1 billion this year and, like all agencies, it has been asked to achieve some efficiency savings. The efficiency dividend that will apply to Customs has been more than offset by the injection of $16 million, following an election promise by the government, to provide increased capacity for Customs to inspect cargo at four important regional ports: Darwin, Newcastle, Launceston and Townsville.

I want to thank all senators for their contributions to the debate and look forward to the bill passing.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

Question agreed to.

TAX LAWS AMENDMENT (BUDGET MEASURES) BILL 2008

Second Reading

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

That this bill be now read a second time.

Senator COONAN (New South Wales) (11.49 am)—Today we are debating the Tax Laws Amendment (Budget Measures) Bill 2008 that deals with the following budget changes: fringe benefits tax, exemption for work related items, fringe benefits tax for jointly held assets, fringe benefits tax for meal cards, employee share schemes and depreciation of computer software. These measures make 17 amendments to tax legislation—five amendments to fringe benefit tax legislation and 12 amendments to the Income Tax Assessment Act 1997.

This bill will raise over $1.4 billion in the next four years by, essentially, raising taxes on small businesses. The opposition thinks that these matters are worthy of comment. It is one of the high-taxing measures of Labor’s high-taxing, high-spending budget.

As to the fringe benefits tax changes, the Keating government, of course, introduced the fringe benefit tax legislation in 1986. Anyone who has ever tried to make sense of this legislation would have to conclude that it is extraordinarily complex. Over the years it has been much criticised for its density of language and tortuous syntax. One only has to look, for example, at section 136 of the Fringe Benefits Tax Assessment Act 1986 and its definition of ‘business journey’ to see just how complicated this legislation really is. It is an absolute nightmare to actually make sense of what is a business journey. For the purpose of illustrating this and to show the kind of pressure that the opposition and those on the crossbenches have been under in the Senate committee, it is worth actually quoting this. ‘Business journey’ means:

(a) for the purposes of the application of Division 2 of Part III in relation to a car fringe benefit in relation to an employer in relation to a car—a journey undertaken in a car otherwise than in the application of the car to a private use, being an application that results in the provision of a fringe benefit in relation to the employer; or

(b) for the purposes of the application of sections 19, 24, 44 and 52 in relation to a loan fringe benefit, an expense payment fringe benefit, a property fringe benefit or a residual fringe benefit, as the case requires, in relation to an employee in relation to a car—a journey undertaken in the car in the course of producing assessable income of the employee.
This is the sort of material that the Senate is dealing with in the FBT legislation. One could only hope, had there been proper scrutiny of bills, that this might not have got into the legislation in such a tortured way all those years ago. So amendments to the FBT legislation do require careful analysis. They warrant more than a pitiful one day’s notice for a committee inquiry.

While the coalition will not be opposing this bill, we do have a number of concerns that we would like to place on the record, particularly in respect of the small business community, and I will deal briefly with them. First of all, the removal of the FBT exemption on meal cards, which is projected to raise $610 million over the forward estimates, is of course a tax increase by stealth. This change in tax law is expected to raise, as I said, $610 million over the forward estimates. The Treasurer’s second reading speech states that the intent of this measure is to tighten the law applying to arrangements for work related items and for property consumed on an employer’s premises. These meal card arrangements rely on the exemption given in the FBT legislation for property consumed on business premises on a working day. There is no suggestion that the meal card arrangement has been an exercise in avoidance—far from it. The Australian Taxation Office has issued a number of class rulings that actually sanction meal card like arrangements.

The change will mean that the exemption for on-site consumption of business property will no longer apply to salary sacrificed food or drink. It is yet another case of the government promising one thing but when they get into government they change it all. I note that the explanatory memorandum claims that the cost impact of this measure will be minimal. Certainly there will be a financial impact on the many small businesses that sell food and drink under meal card deals. A good example of the impact that this will have is to look at the unintended consequences on, say, a coffee shop that is in the lobby of an office block. A coffee shop on the ground floor of a major office block in a capital city would often be dealing with those entitled to make purchases on a meal card.

Of course, while Treasury does take into account the revenue that it expects to receive from the change, one has to wonder whether there has really been a significant analysis of the losses in income that will be incurred by many small businesses and coffee shops in major cities. What will be the impact on small businesses from this decision? I think this just underscores why we on this side of the chamber have felt that we need a bit more time to scrutinise this legislation. The explanatory memorandum also states that the measure restores the original policy intent of the exemption being given for ‘modest benefits’. Most of the benefits provided by meal cards are no doubt modest. I would say that sustenance through food and drink is in fact a modest benefit. That is certainly the case for the many low-paid workers that have been hit by this budget measure.

The committee report notes that a number of submissions indicated that the large bulk of meal card users were often low-paid workers in manual labour jobs who would use these meal cards at the work cafeteria. Specifically, Accor Services stated in their testimony that meal cards were used by a range of low- to middle-income earners. Of its 7,000 clients, Accor reported that more than 60 per cent of meal card users were on a 30 per cent tax rate and 60 per cent were women. This is hardly a picture of sumptuous lunches and over-the-top catering, nor is it an example of the rich taking advantage of a tax loophole.
The FBT measure relating to work related items, which is projected to raise $530 million over the forward estimates, is also something that I think raises some significant issues. It will restrict the FBT exemption to items that are used primarily for work related purposes, such as laptops and PDAs, and limit employees to one item a year, unless of course it is a replacement. It will, as I said, raise $530 million over the forward estimates. When it comes to the FBT changes on work related items, the stated intent of this measure is to tighten the FBT exemption for certain items provided by an employer to enable an employee to do their job. In addition to computer software, a briefcase, protective clothing and a tool of trade, there will be an FBT exemption for a portable electronic device. I think we can expect that there will be some rulings and determinations from the ATO in the months and years ahead that seek to explain what is meant by ‘a portable electronic device’. For example, guidance will be required by employers in deciding whether a portable electronic device does or does not have substantially identical functions to another portable electronic device. We can only hope that we do not end up with another tortuous section. This provision as it stands gives little certainty to employers in working out their FBT liability.

It has been noted by a number of commentators that those employers who have been providing benefits such as meal cards and salary packaging of laptops and PDAs will now have to consider certain challenges to their strategies to attract and retain scarce talent in this tight labour market. One can only wish them good luck.

The changes to employee share schemes have been described as a tax integrity measure. Under the measure, where an employee who is granted shares or options at a discount to market value elects to be taxed on that discount in the year of grant, instead of deferring tax, say, to year of sale, the employee will not be able to take advantage of changes in value and try to backdate their election—that is, the ATO will be unlikely in future to let employees amend earlier year returns to include the discount belatedly. There is also a measure to remove double taxation by correcting a technical exposure to trustees and members of an employee share scheme on the member becoming absolutely entitled to shares in the scheme.

The opposition supports action that prevents employees from making a late election for up-front taxation where the taxpayer does not have an acceptable explanation—which of course is the current policy. However, to remove the commissioner’s discretion to accept late elections in any situation suggests the government considers that the ATO has been ineffective in its administration in this area of the tax law. We contend that there is no evidence to support this inference. If there is any, we would like to know about it. Indeed the ATO was successful before the full Federal Court in a recent challenge to its decision making in relation to the taxation of employee share schemes. It would be helpful if the minister representing the Treasurer would, in his comments, provide us with the assumptions underlying the revenue impact, estimated at $77 million over the forward estimates.

On another point, there are numerous elections throughout the tax legislation, as we all know. There are numerous discretions given to the commissioner throughout the legislation. These are well-established features of the self-assessment system that has been in place now for 20 years or so. I call on the Minister representing the Treasurer to inform the Senate, in his remarks, whether the taxpayer behaviour that apparently justifies the measure included in item 12 of the bill has longer term implications for the self-assessment system more broadly. Will the
The extension of the write-off period for software from 2½ years to four years is yet another hit on small business. This change in write-off periods will spread tax deductions for software over longer periods, leading to increased revenue of $1.3 billion over the forward estimates. Software is bought by businesses for operational reasons, not tax reasons. That is something the government does not seem to grasp. The Treasurer has already acknowledged that, where a business scraps software before the four-year write-off period has ended, the business will still get an immediate write-off for the remainder under the existing tax law. I call on the government, through the Minister representing the Treasurer, to inform the Senate about the assumptions that underlie the estimate of $1.3 billion, given that businesses will be able to fully write off their expenditure in the circumstances outlined by the Treasurer and will still be able to self-assess an effective life that is shorter than the four-year write-off period.

I note that there is a measure in Treasury’s 2007 tax expenditure statement described as ‘accelerated depreciation for software ... a tax expenditure in relation to software which has an effective life greater than 2.5 years’ which estimates the concession to cost approximately $70 million per annum. Given that this lower estimate is plainly there for all to see in the tax expenditure statement, will the minister inform the Senate why the government are setting a longer depreciation rate than the effective life for software assumed by Treasury in the tax expenditure statement.

As I have already noted, we have some major concerns about the potential impact of some of the aspects of this bill. I have to say, now that I am over this side of the chamber, that we wish to take a responsible attitude towards the measures that are part of this bill, but it does raise some issues when we think the business community and certain individuals that are impacted by these changes deserve a more fulsome explanation than we were able to glean from a one-day Senate inquiry and other inquiries that have been made about this.

Ordinarily such a bill as this would at least be afforded the opportunity for adequate scrutiny by parliament. Unfortunately, I think this bill will be remembered and remarked about not so much for its content but rather for the way in which, unfortunately, it has been rushed through the parliament without proper scrutiny and proper consideration of the personal and financial impact on small businesses and working Australians dependent on these work related benefits for their tax arrangements.

Senator Sherry, Senator Evans and Senator Conroy—and the government generally—have been using question time in the Senate to claim that we are somehow being economic vandals by referring some complex bills to committee for further analysis. Nothing could be further from the truth. This is of course our job—to elicit a more comprehensive explanation of the policy rationale underpinning these changes.

It is very unfair and undedifying for the Rudd Labor government to treat the Senate like a sausage factory. It shows a government under pressure. The disgraceful manner in which this bill has been rushed through the other place and the Senate raises serious questions that go either to the government’s
motive or to the government’s competence. Why, after the bill was introduced into the other place, did the second reading debate occur just the very next day? What was the haste that meant such a bill should be rushed through without giving the opposition a chance to look at it for a week before voting on it? Why was the Senate Standing Committee on Economics only given a day to advertise for the very, very brief public hearing that it had last Friday? These are all serious questions. What this shows is the sham-}


bolic mess that the government is making of its legislative program.

While I have made it very clear that we do not oppose the bill, we would like to point out for the record the concerns that we have with it. It is a matter of great regret that the Senate has again been pressured into supporting a bill that is all about digging the government out of a hole of its own making in its legislative program and not about delivering well-considered tax policy for the Australian economy.

Senator MURRAY (Western Australia) (12.06 pm)—Madam Acting Deputy President Moore, it will not surprise you in particular that I stand to speak to a tax bill. Dealing with the last first—namely, the shadow minister’s remarks about referring a bill to a committee—this is one of those bills which did need to be referred to a committee. The inquiry, short and rushed as it was, was very illuminating. I must say that the secretariat did a very good job in producing a report on the bill at short order. The point of my making those remarks is to refer to a bigger problem we have as a Senate: which is that time-sensitive budget bills, both under the previous government and the present government, are being rushed through simply because they have the financial year end in mind. That is dangerous when you are dealing with complex legislation which materially affects large communities of people and where tax law changes result in negative consequences for certain people enjoying benefits under the law as it presently stands. Even where the policy might be the right one, it still needs time for people to express reservations and to suggest changes and amendments.

I remind the Senate that I recently made similar remarks. As a consequence of those remarks, I wrote to the President and asked him to refer the matter to the Procedure Committee. I ask the opposition, in particular, to take an interest in that. My central proposition, particularly with bills consequent to the budget, is that there should be a mechanism developed by the Senate for bills, once they land in the House, to be immediately referred to a committee. At present you have the May budget and after that the House meets for two weeks and then meets for these two weeks in June. But the Senate does not. The Senate meets for two weeks of estimates. Therefore, the first time the Senate can meet and say, ‘Yes, we’ll send that bill across to a committee,’ it is too late for a thorough review and consideration before the end of those two sitting weeks. That creates a real problem with the proper examination and review of legislation—whereas, if this bill, for instance, had been referred to a committee in May, soon after the budget, we would have had a far deeper and more informed analysis and a far better understanding of how these changes either are merited or will affect people detrimentally. I think the Senate needs to find a better mechanism for time-sensitive bills than it has at present. I have formally written to the President asking him to refer to the Procedure Committee and I hope he agrees to refer to it. I ask the opposition in particular, and all parties, to pay attention to that reference to try and find a proper mechanism.

I now turn to the bill specifically. The second general comment I make is that the gen-
eral descriptions of tax bills are quite confusing. I came down here scrambling to make sure I had my tax measures bill and not my tax measures bill No. 1 in my hand. Although the Senate Standing Committee for the Scrutiny of Bills and the parliamentary counsel—the legal counsel who draft government bills—did try to improve the naming of the bills, I still think we need to name them a little better because it is not necessarily clear, on their face, what you are dealing with. Hopefully I am now about to address the right bill! I say that because I was once vastly amused when a minor party senator, not from my own party, arrived and spoke passionately and at length to obviously the entirely wrong bill. The Senate was cruel enough to let him go almost all the way through and then said, ‘By the way, it’s the wrong bill.’ That amused me at the time.

The Tax Laws Amendment (Budget Measures) Bill 2008 amends taxation legislation to give effect to some of the policy initiatives announced as part of the 2008-09 Commonwealth budget. Proposals within this bill are contained in two schedules, with amendments to a number of acts. The first one—the controversial one—is changes to fringe benefits tax. This schedule proposes amendments to the Fringe Benefits Tax Assessment Act 1986 and the Income Tax Assessment Acts 1936 and 1997. The changes are in several parts. They tighten the fringe benefits tax concessions for so-called meal cards; those cards received at work as part of salary sacrifice arrangements. They tighten fringe benefits tax concessions for laptop computers, portable printers, electronic diaries and mobile phones, and they tighten the provisions to deny a personal income tax deduction for depreciation on work related items, such as computers. These changes result in significant revenue gains, including $610 million related to meal cards and $530 million related to computer items, over the forward estimates period.

The other part of the fringe benefits tax bill relates to employee share schemes and removes any incidence of double taxation arising from such schemes. It also clarifies the timing at which the proceeds of these plans are brought to account for taxation purposes. This will result in a $77 million revenue benefit over the forward estimates period. The changes to the depreciation rules for computer software are captured in schedule 2, which proposes amendments to the ITAA 1997 to extend the current depreciation rule for computer software from 2½ years to four years.

There will be relatively minor and immediate financial consequences arising from the proposed changes to the fringe benefits tax regime and the rules governing taxation from proceeds arising from employee share schemes. However, the cumulative gain in revenue arising from the lengthening of the depreciation period for computer software from 2½ to four years—an industry average, as it turns out from the committee report—is $1.3 billion, as I outlined earlier, from 2008-09 to 2011-12. This sounds significant, but effectively it is just an accounting change. This, as with all depreciation life schedules, is a timing shift. Over the long run, no revenue loss or gain will occur. So do not be alarmed when you see that very large figure; it is accurate in the budget estimates, but it evens out over the long term.

I think, personally, the main amendments in the bill are relatively modest, although people will be feeling quite strongly about the loss of some benefits in their particular case. Both the fringe benefits tax and the employee share scheme amendments are claimed by the government and the Treasury witnesses to the committee to restore the fringe benefits tax regime to its original pol-
icy intent. Sometimes governments and departments will make that claim somewhat lightly, but not in this case. I think it is an accurate claim. I think it does in fact do that very thing and I would remind the chamber that the Democrats for many years have adopted a twofold view: firstly, that we must make a serious effort to make our tax system more simple and less complex; and, secondly, it is desirable, if you are going to get equity and efficiency in the system, to broaden the base. In a small way this does broaden the base.

Companies benefiting from the present situation claim the meal cards reform is an assault on lower income workers. In my view, it is nothing of the sort. The measures increase revenue and so will be unpopular with some of those from whom the revenue is raised. I do not know anyone who likes to be taxed. What was the name of the French cardinal—it might have been Richelieu—who said you have to tax people like plucking geese: with the least amount of hissing? I have not got the quotation precise but I seem to remember that is what it was about. There is not too much hissing out there, so you are doing all right.

I think the measures are in the overall public interest and they are better tax policy. The main objections and submissions to the committee were to removing the exemption from fringe benefits tax currently enjoyed by people able to buy their lunch more cheaply—that is, more cheaply than other people—through salary sacrifice. It is an odd thing that tax law should encourage that some people get a benefit not available to other Australians. It just makes the other Australians cheesed off that they are not getting the benefit. The bill will mean these people have to pay the same for a lunch as those not able to package their salaries in any way, but the bill does not stop people from buying a healthy lunch, which is one of the spurious claims put to the committee. It does not stop people having their lunch delivered to their workplace—that is another spurious claim. It does not prevent employers subsidising lunch—that is yet another spurious claim—although some of the objections advised to the committee make this rather wild assertion. So you will hear from my remarks that I am not too sympathetic in this instance to the claims of special interest, but I recognise the remarks of the shadow minister that the nature of the implementation will have small-business effects.

I sometimes wonder at an attitude we have that, when farmers are forced to change their way of producing, operating and functioning, we give them adjustment packages—many millions, for sugar, milk or whatever it is—but, when we do the same for small business, there is no structural adjustment package. It may be good policy, as it might have been considered to be for milk, dairy and other things, but we need start to develop greater consistency in this compensation area. So, on those grounds, I am sympathetic with the shadow minister’s and the coalition’s view that some of the small businesses, which presently enjoy the benefits of the current way in which tax laws are administered in this fringe benefits area are probably likely to be hurt by these changes.

I like committees because you learn stuff. Senator Joyce, who, as the chamber knows, is an accountant by profession and understands that sort of stuff, was surprised at the extension of the software provisions. I thought he had a case, from my own experience. Businesses tend to turn over their software pretty quickly in contrast to individuals. I do not know about other senators, but my software at home is pretty aged. It is about to be upgraded as I shift into a different role, but business do turn it over quickly. So, in the committee report, as a result of Senator Joyce’s inquiries and other views, there is a
table of the depreciation of software presently employed. It is taken from the latest annual reports—somebody has done some very good research and the table shows assumed useful lives in years terms. I will just select a few: ANZ Bank, three to five years; Macquarie Bank, three years; the ASX, Australian Securities Exchange, seven to 10 years—interesting; Insurance Australia Group, IAG, which that wonderful comedian Connolly advertises, three years; government, Treasury, three to five years; Bureau of Statistics, two to 28 years—that is a worry, isn’t it; I would like them to turn their software over pretty quickly, given the importance of what they do—Reserve Bank of Australia, four to seven years; Telstra, six years; Metcash, run by a South African friend of mine, five years; and Qantas, three to five years.

What that schedule indicates is that choosing a depreciation standard of four years is not unusual or unreasonable. I would have, on the surface, thought it was, but it turns out that the survey indicates it is not so that four years depreciation is a good choice. With those remarks and a general view on some other matters I have outlined, I indicate that the Australian Democrats will be supporting the Tax Laws Amendment (Budget Measures) Bill 2008.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (12.21 pm)—I would like to thank all those senators for taking part in the debate on this measure. The amendments in the Tax Laws Amendment (Budget Measures) Bill 2008 make important improvements to the tax law to restore fairness and integrity to the tax system. They are also part of a responsible budget carefully designed to fight inflation and invest in the future. They restore the original intent of the FBT law by tightening the arrangements for eligible work related items and property consumed on employers’ premises. They improve equity in the treatment of employee remuneration and they align the period over which taxpayers can write off depreciable in-house software with that for computer hardware.

Currently, employees can salary sacrifice to obtain a meal card to purchase lunch, coffee and other consumption items out of their pre-tax income. Under these amendments, meals provided as part of a salary sacrifice arrangement will no longer be FBT exempt. This measure restores the intended policy and improves equity in the treatment of employee remuneration. Genuine staff canteens will not be affected. The FBT measures also ensure FBT exemptions are restricted to items used primarily for employment. That addresses the ability of employees to acquire items such as laptops for private use out of their pre-tax income. It also restores the original intent of the FBT law. The exemption will be limited to one item of each type per employee in each FBT year, unless it is a replacement item. The list of eligible work related items will also be updated for technological changes. The amendments also remove depreciation for FBT-exempt items. This addresses a double tax benefit whereby an employee can claim depreciation for an item that is also FBT-free.

The policy intent of the tax treatment of employee share scheme arrangements is also being restored. This amendment closes a loophole in the employee share scheme provisions and addresses double taxation. Amending the election requirements will stop taxpayers manipulating when they have a tax liability for discounts on employee shares or rights. This will ensure discounts are properly included in assessable income. The bill also removes the double taxation of certain employee share schemes using an employee share trust.
Under these amendments, the write-off period for in-house software is extended from 2½ years to four years. This is the same as the tax commissioner’s safe harbour period for computer hardware. The amount deductible is unchanged. Businesses will still get an immediate write-off when the remainder of the software is scrapped before four years. Small businesses and businesses that pay an annual licence fee for their software generally will not be affected. The amendments in this bill help restore fairness to the tax system and contribute to funding the government’s key priorities for the future.

There were a couple of items that were raised in the debate on this bill. A concern about removing the powers to accept amendments to tax returns was raised. Item 12 of the bill allows the tax commissioner to accept an election for the inclusion of a discount at a later time. This replicates the same powers contained in the current law. The impact on small business was also raised. The existing concessional small-business depreciation arrangements remain, so small businesses generally are not affected. Businesses with turnover of $2 million or less retain alternative depreciation arrangements unaffected by this change—that is, the immediate deductibility of software costing less than $1,000 and amounts of over $1,000 can be pooled with other assets and depreciated at 30 per cent diminishing value. One assertion was that software costing was unbelievable given the $70 million in tax expenditures statement. Software costing was considered by the committee. The costing reflects the timing effects. It reaches a peak in 2010-11 of $681 million and the costing considers growth in the industry. Once again, I want to thank all senators for their contributions.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

TAX LAWS AMENDMENT (2008 MEASURES No. 1) BILL 2008

In Committee

Consideration resumed from 24 June.

The TEMPORARY CHAIRMAN (Senator Moore)—The committee is considering the Tax Laws Amendment (2008 Measures No. 1) Bill 2008 as amended, and amendment (1) on sheet 5489 by Senator Milne.

Senator MILNE (Tasmania) (12.26 pm)—Last night we were having considerable discussion about this and I asked the government to tell me where in the legislation, as it currently stands, it says that these forests cannot be cut down. It is a simple request. Where does it say that? That is the first thing. The second thing is that people have said to me today: ‘Oh well, doesn’t this mean that people could go out and plant forests on degraded land? Wouldn’t that be a good idea?’ You only have to look at managed investment schemes to see that the same thing was said about them in the first place. The fact of the matter is that, if you invest in an MIS or a carbon sink forest, the value of your investment depends on how rapidly those trees grow. If you want to cut them down for plantation fibre then the faster the growth and the quicker the rotation, the more money. If you do not want to cut them down and you want to have them as a carbon sink then, again, the faster they grow, the more carbon you have got to sell in the carbon market.

This is a double dip. For anyone who actually gets the tax deduction and then wants to go into a voluntary carbon market—in the absence of a legislated market—then, the faster your trees grow, the more carbon cred-
its you have got to offer. So exactly the same thing will happen with this as has happened with the MISs—that is, the better the agricultural land, the better the trees and the more water, the better the trees grow. Therefore, it will not lead to trees growing on marginal land and, if you were genuine about marginal land, you would be supporting my amendments, particularly the first one, which states:

... the trees are a mixture of species that approximate the local native vegetation or, if not available, from an ecologically similar location ...

If you are genuine about marginal land then the best hope you have got of growing anything on marginal land is to grow what was there in the first place. That is not going to happen when the value of this investment depends on the volume of carbon credits you can sell in a market or, if you chose to cut them down, the amount you can get on the woodchip market. That is a nonsense.

Another statement is, ‘Oh, isn’t this about poor farmers wanting to reafforest?’ No, it is not. Let me give you an example. Virgin and Qantas are under the hammer because of their aviation emissions. They know they have to count their domestic emissions and their international emissions will be counted under future schemes. Already, people like the Greens senators, for example, are paying a business to offset our emissions from aviation. But the big companies will be wanting to do that as well.

We senators decided not to invest in any company that plants trees but rather that produces renewable energy because that is actually reducing emissions now, not cost-shifting it to the future where the trees may or may not grow, may or may not take up anything like the carbon that will be emitted from a flight over the time frame we have got. As I said last night, the issue is the time frame. Under this scheme, Qantas or Virgin could institute a system of passengers paying a levy for carbon offsets going to Qantas or Virgin bank accounts. They could use that money to purchase land and establish plantations and then come to the government with their hand out and say, ‘Now we’ll have a tax deduction.’ This is not just for coal companies; this is for any big business wanting to offset.

The world made this mistake with the Kyoto protocol when it allowed financial credit for afforestation and reforestation but no credit for protecting standing forests. That is where the world went wrong. Everybody acknowledges that now, and so, in the negotiations for post 2012, everybody is talking about the REDD scheme—reduced emissions from deforestation and degradation. We want to shift internationally the benefit to the people who are protecting standing carbon stores, not setting up rorts for other people.

Firstly, I would like to ask Senator Conroy to point out specifically where in the legislation it says these forests cannot be cut down, especially if you claim the tax deduction upfront but even if you do not over 14 years. Secondly, I would like him to explain how he is going to keep these forests, these plantations, off prime agricultural land and, therefore, how he is going to stop them buying up the water rights that farmers are currently competing for and how he is going to prevent the same perverse consequences that have happened with managed investment schemes for rural and regional Australia where farmers have been driven off their land and communities have collapsed. I would like a particular reference to those two matters.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (12.32 pm)—This is the information with which I have been provided. The tax law is not the appropriate
mechanism for ensuring a carbon sink forest is maintained until mature and thereafter.
The tax law is a mechanism for raising revenue, not a mechanism to regulate the growing of trees. The tax law does not have penalties for the destruction or removal of other assets where the taxpayer has previously claimed a deduction. The treatment of the destruction of a carbon sink forest should be dealt with under other environmental frameworks. The legislation does not allow a deduction if the intention of the taxpayer is to fell the trees.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.32 pm)—That was a complete duck on the question that Senator Milne put to the minister through you, Chair. The question remains: if it is to be dealt with somewhere, where has this matter been dealt with? Will the minister bring forward to the committee the government enactment of law or regulation which requires that, if taxpayers are going to forgo millions of dollars which could otherwise go to addressing global warming or assisting public education and public health—we are dealing with a massive amount of money here—the trees planted here, for which wealthy corporations taking over farmlands are going to get millions of dollars in tax deductions, have to stay in the ground accreting carbon?

This bill has schedule 3 labelled, ‘Capital expenditure for the establishment of trees in carbon sink forests.’ Carbon sink forests appear throughout the schedule, as you will see—even conditions for deducting for establishing trees in carbon sink forests. But then you find there are no conditions for ensuring that the carbon sink keeps the carbon. Senator Milne’s motion, amongst other things, requires that the trees are there for at least 100 years, which one would have thought was a minimum requirement if we are looking at keeping the carbon out of the atmosphere. But, no, this legislation will allow people to get massive tax deductions upfront and, 15 years after they have planted the trees, to cut them all down again and get the deductions again for planting another lot. They can be burnt and put into the atmosphere.

It is irresponsible legislation and I know that the vested interests have been hard at work overnight on the government and opposition to ensure that this legislation goes through, because it is not a carbon sink mechanism; it is a tax avoidance scheme we have in front of us. It is extremely concerning because when the government gets into greenwash like this—that is, using up-front a motivation to create carbon sinks which is not genuine to say the least, to afford vested interests who are behind this legislation massive tax deductions—it is engaging in deceit and a studied deceit at that.

Senator Milne asked where in this legislation it stipulates that you have to keep the trees in the ground for a certain period of time, any period of time. It is missing. The minister’s answer is not acceptable. He gets up and says, ‘Yes, we have provision here for carbon sink forests in this tax legislation,’ but it is about taxes; it is not about carbon sinks at all. You have to go somewhere else if you want to find out about carbon sinks. Well, why label it carbon sinks? This is simply a rort. This is a rort whereby investors are going to get massive tax deductions at the expense of the Australian economy to plant trees, which will not provide the purpose for which they are meant. They are not going to be carbon sink forests. In fact, if you are looking at this from an investment point of view, it would be crazy to keep your trees there when every 15 years you can get the tax deduction again. You would be crazy to keep them for a hundred years. Who would do that?
The other argument that comes down the line is: ‘We don’t have carbon trading yet and so who is going to invest in this scheme when they don’t know what the value of the growing trees is going to be?’ Well, it is like all other market enterprises. If you want to get this tax deduction for a carbon sink—and that is the aim of the legislation—you keep your trees in the ground for 100 years. The problem comes when it turns out, against all expectations, that forests are excluded from carbon trading down the line. The government has not created the provision for carbon trading; it is bringing this legislation in first. It has put the cart before the horse.

My advice to investors, if Senator Milne’s amendment gets up, is to wait until you see what the government’s legislation is going to be—and it is an urgent piece of legislation which we should be seeing first. This is all back to front. It is a rort. It is going to transfer millions of dollars, otherwise collected for the public good, into the pockets of investors at the big end of town who are in this for a tax deduction. They are not in this for a carbon-sink provision. There is no requirement in this legislation for that. As Senator Milne says, this is managed investment schemes on steroids. That is what this is. When rural Australians get to see this they will see their land, including land for food production, taken over because this rort allows tax deductions for corporations at the big end of town who are in this for a tax deduction. They are not in this for a carbon-sink provision. There is no requirement in this legislation for that. As Senator Milne says, this is managed investment schemes on steroids. That is what this is.

I am mindful that in some three of four minutes we are going to have to do something with this, but I do want to place on record, if you like, with some formality, the opposition’s position in relation to this matter and why we will be supporting the government’s bill and opposing the Greens’ amendment. We have, again, considered this overnight. In fact, Senator Brown, we were probably meeting until midnight—I think it
was about then when I left one of the shadow minister’s offices last night to make sure you and some other senators in this place who had some concerns about this were comfortable that what we had decided to do originally was still appropriate. After many hours of consideration, not to protect vested interests but to actually accommodate the request that we had from you and other senators, we came to the considered view that our position, which was of course that of when we were in government, has not changed and that we will be supporting the government in this regard.

I want to place on record the policy rationale for the former coalition government’s introduction of this measure and the basis for the coalition’s agreement with the government’s decision to remove schedules 2 to 6 from the Tax Laws Amendment (2008 Measures No. 2) Bill 2008, which was passed last week. Some concern was expressed that it might be possible under these arrangements for an upfront deduction to be made available for a forest that is cut down and sold as timber. Currently, anyone who wants to grow trees for timber can get upfront deductions which are widely available, including to MISs. The carbon sink forest deductions are not available to MISs. Furthermore, in order to get the carbon sink deduction, the taxpayer has to comply with a whole series of elaborate requirements including getting the approval of the Department of Climate Change.

Some senators have also queried what would happen if someone decided to cut down the trees after receiving the up-front deduction. A taxpayer who does that runs the risk of being accused of not having had the requisite carbon sink purpose and therefore logically attracts the interests of the deputy commissioner. But assuming that that person did have the original purpose and the appropriate purpose and then changed their mind and cut down the trees, what has actually been the gain to that person? Let’s say that person invests $100 in these trees and gets a $30 deduction. If they then sell the carbon credits to someone else, they have a contractual obligation to keep the trees in situ, probably for a lengthy period, typically 80-plus years. Let’s assume that, for one reason or another, they cannot sell the credits and decide, as was suggested in the Senate last night, to cut the trees down and plough them back in. In that case they have, effectively, wasted $70 after tax. They started off with a clear paddock and $100 in their pocket. They have spent $100 on the trees and they have got $30 back from the government— (Time expired)

Progress reported.

BUSINESS
Rearrangement

Senator CONROY (Victoria—Deputy Leader of the Government in the Senate) (12.45 pm)—by leave—I move:

That:
(a) consideration of matters of public interest not occur at 12.45 pm, and that consideration of government business may be considered till 2 pm;
(b) divisions may take place between 12.45 pm and 2 pm; and
(c) at the conclusion of government business order of the day no. 4 (Tax Laws Amendment (2008 Measures No. 1) Bill 2008), or at 1.40 pm, whichever is the earlier, Senator Nettle may make a valedictory statement till not later than 2 pm today.

Question agreed to.

TAX LAWS AMENDMENT (2008 MEASURES No. 1) BILL 2008
In Committee

Consideration resumed.
The TEMPORARY CHAIRMAN (Senator Marshall)—The committee is considering the Tax Laws Amendment (2008 Measures No. 1) Bill 2008, as amended, and we are dealing with amendment (1).

Senator RONALDSON (Victoria) (12.46 pm)—I was referring earlier to a situation whereby someone had spent $100 on trees and had got $30 back and had a paddock full of trees. If they then cut them down for no return, they are back to where they started. Quite frankly, there will be minimal return because the value of this timber is minimal.

Senator Conroy—Spend $100 to get $30!

Senator RONALDSON—Exactly. As Senator Conroy has said, they have spent $100 to get $30 because, by design, this will be timber that has minimal value. If you have a look at the approval requirement for the Department of Climate Change, it will be quite obvious. So you have a cleared paddock, you are $70 worse off, plus you have lost production from the paddock for however long those trees were in the ground.

The issue of fire was also raised while debating the bill in the committee stage last night. It is correct that natural disasters occur and thus fire is a possibility, but I stress it is an unknown event in relation to when, where and the severity. Any deliberate action to burn the trees down would reasonably be considered an attempt to subvert the Income Tax Assessment Act and thus the commissioner would be able to act under part IVA of the tax act, which of course contains general anti-avoidance provisions.

A further concern was raised: what if a taxpayer plants the trees for a carbon sink in good faith and then sells his property to someone else who cuts the trees down? Before I get on to that, I will just mention some comments made by Senator Bob Brown in relation to the proposed 100 years. Realistically, it is hard to imagine a situation where anyone could, administratively, keep track of sale and resale, purchase and repurchase over 100 years. It beggars belief that, over 100 years, you could in any way properly manage that. As I said before, a further concern was raised about a taxpayer who plants trees for a carbon sink in good faith and then sells his property to someone else who cuts the trees down. If the person who plants the trees gets the carbon sink deduction and sells the carbon credits, then surely they have a contractual obligation to keep the trees in situ for a lengthy period. They would have to be preserved, even if the property changed hands. It would be like selling a property subject to an easement or whatever.

But what if a person who had planted trees did not sell the carbon credits? Why would you plant a carbon sink forest and then not sell credits? Why would you do that? It is highly unlikely. If they then sell the property, with the trees, the purchaser may be able to, subject to native vegetation rules in their particular state, cut them down. But the vendor would not have received any capital benefit from the trees having been there if the purchaser plans to cut them down, unless they are valuable as timber, in which case the vendor would have used the forestry tax regime when he planted them in the first place. They would still be getting the depreciation over the 14-year period anyway. So what is
the advantage in that situation for someone to cut the trees down? They are still getting that depreciation.

We have, again, given this matter due consideration overnight, having been requested to do so, as have both the government and the opposition—and I cannot speak for Senator Conroy, but I assume this matter has again been given due consideration overnight—to ensure that, following concerns that were raised, we are getting this right. We are confident that we are getting it right, having taken the quite unusual step of pulling this legislation out at the eleventh hour to enable these discussions to take place. The reality is that this legislation is a great boon for farmers in marginal country. You can plant carbon-retentive species, typically mallees, which are basically worthless for timber purposes. It aids in the fight against salinity, it improves the productivity of the land adjacent to carbon sink forests, and I understand the way they operate in Western Australia is by having extra wide shelter belts.

The opposition supports the policy of encouraging the early establishment of carbon sink forests through providing immediate deductibility for costs incurred in establishing a qualifying carbon sink forest during the five-year period that commenced on 1 July 2007. It is good for farmers and it is good for the environment. And we believe in the integrity of the government’s legislation, which we readily acknowledge was the former government’s legislation. It was good legislation then and, having given this appropriate consideration overnight, we believe it is good legislation now and we will be supporting it.

Senator JOYCE (Queensland) (12.52 pm)—I suppose it is very important at the start to say what some of the issues with the Tax Laws Amendment (2008 Measures No. 1) Bill 2008 are. The reason managed investment schemes work is that there is a tax advantage to them, and with the advent of MIS we have had the take-up of prime agricultural land. I refer especially to cane growing agricultural land, which has been taken out of cane production and is now used for timber production. Some might say, ‘So what?’ What happens is the capacity of the mills in those areas is lost because they need a certain economy, a certain size of cane crop to survive and, ultimately, if this keeps on going, the mills get to a stage where they have to shut down. People say: ‘So what? The mill shuts down.’ What happens is that the people who are employed at the mill lose their jobs. The farms that are left over become unviable because they cannot add on the transport component to another mill, so they are put at an economic disadvantage. The school shuts down and the doctor leaves. It is an extremely bad decision.

What is so galling about it is that it is not a decision driven by the market; it is a decision that has been driven by government legislation. We know for a fact that people might say, ‘We’ll put timber there instead.’ Timber does not require the sort of labour component that farming requires. It does not have the same inputs. It does not require the commerce that farming requires. There is a whole major dislocation by reason of this coming into the marketplace.

You also have some other serious issues that come into play. You have this unnatural and unwarranted differentiation by reason of a fence: one person, an individual or a partnership on one side of the fence is not entitled to the deduction, because of the way MISs operate—they need to have a financial services licence, a corporate entity, and the oversight of ASIC. So one person on one side of the fence does not get the deduction and the other person on the other side of the fence—the big corporation—does. It is un-
naturally unfair. If you believe in the marketplace, it is a complete dislocation of the so-called market theory that things should happen where they are supposed to happen, not where they are inspired.

In this legislation there are a couple of issues we need to look at. First of all, I quote section 40-10 where it states:

You can deduct amounts for capital expenditure for the establishment of trees in carbon sink forests.

What exactly does that mean? It means that I can go out and, if I am a major coalminer, buy $10 million, $20 million or $100 million worth of land and get an up-front tax deduction for it—straight up, straight off the bat. Until 2011-12, that is exactly what I will get. There are obvious ramifications when that happens. We have to look at where there is a sense of commonality. If this is about marginal land and about giving farmers a go on marginal land in areas where they could not use it for other purposes, then we should so prescribe it in the legislation to say exactly that. There is immense capacity. We can see that with the oversight that there is currently—which is actually the bane of so many areas of native vegetation acts—where they can tell you to the square foot what you can do and what you cannot do with land and how it is used. If you want to go down that path, how about we use that to the advantage of farmers and say, ‘If this is prime agricultural land because it has had a return, because it has a certain rainfall, because it is of a certain style capacity’—and we have all that information at our disposal—‘then it is embargoed from being used for tax inspired forestry schemes’? If you want to buy it on the free market like anybody else, go right ahead, but do not use a government inspired tax advantage to get you in the front door. That is an issue. This is one of those crazy things where we talk about the market but we do not believe in the market because we are affecting the market in that we are giving someone an inherent advantage that another person does not have.

Let us go through some of the other issues. We have heard this afternoon about what happens if a person spends $100 on putting in trees and then he gets a $30 tax deduction. The reason he gets the $30 tax deduction is that a 30c in the dollar tax rate is implied. And then he or she knocks the trees down. Let us take the next step. What about if the person buys or spends $100 putting in the trees and they do not go out and sell the carbon credits because there are no carbon credits to sell? They have just put them in the ground. There are no carbon credits there, but they sell them to someone else. All through this legislation, and I refer to clause 40-1005, it talks about the responsibility to you—not the responsibility to anyone else after you have gone or you have sold it. This is obviously a flaw in the legislation.

In this nation we do not want to lose productive lands to a tree crop that will produce no food. Let us think about that. Less food means that we put upward pressure at the grocery store, we put upward pressure on food prices—and I would have thought that we would be trying to put downward pressure on those. Secondly, we destroy the regional economy, and that has a multiplier effect because it makes those who even surround the forests unproductive. They lose their economies of scale and they lose their vital infrastructure that is attached to the quantum of economy that is required. For one farm to survive, it needs to have in place a range of other farms around it to make it work. Take agronomists, for example. Agronomists are not going to appear in town for one farm.

Senator Boswell—What about the railway line?
Senator JOYCE—And the railway line will not work, and all these sorts of things fall down around it. That is why this legislation has inspired serious questioning. The issue has been growing in Queensland and in other areas. To talk about the sentiment that was there in the past as being the same as the sentiment that is there now is, I think, not right, because the resentment against these types of schemes is building all the time. The latest thing is the fear that water rights will also go the same way as everything else, and we tie up water rights. In this legislation, that would be completely applicable. Under section 40-10 I would certainly get an up-front deduction for the purchase of water rights if I say that it is part of the capital deduction of the place.

The questions that I will be asking the minister are quite simple. For example, Xstrata Coal and Rio Tinto have buckets of money—far greater than what we would anticipate an MIS would have. These companies can literally have hundreds of millions or billions of dollars at times of a tax liability, and so they can have billions of dollars to spend to fix it up. What do they get for it? They get an asset. Not only do they get an asset, they get an appreciating asset. They get an asset that, over time, with the use of carbon credits, gets better and better. Let us go right back down to the town and see what the fundamentals of that means. It means that you drive past an area where a certain coal company has an asset—wholesale ownership of prime agricultural land—and the town has gone and the farmers have gone, but the company gets an income stream from that asset. They get an income stream from it for what? It is for the increase in the tonnage of the carbon that is positioned in the structure of the trees on that land. It is a peculiar form of economy where you can make money without actually producing something and, in doing so, take out farmers who produce vegetables, livestock and a whole range of other things. If you start going down that path you are going to come unstuck, because you cannot feed people trees. It is stating the obvious, but people have to understand this. If the market is there for trees then let it be done in the free marketplace, like everything else.

Let us say that I take advantage of this legislation. I chop down the trees that I would not utilise—but of course I would utilise them if I chopped them down. The price for green woodchips at the moment is $92 a tonne or something like that. One thing that I can absolutely assure you of is that the price of woodchips and timber will always be in excess of the price of carbon credits; otherwise, why would you sell woodchips when you have a bigger asset in carbon credits? There will always be a demand for them. So, as with anything that is utilised, there will be the impetus to put it towards timber and milling.

Obviously, we see some serious questions in this legislation. I think there is general agreement amongst everyone that they want to assist farmers on marginal land to make an income stream from something from which they have never made an income stream before. There is no argument about that. If farmers do it planting trees, all the better. If they do it by planting trees that are suited to the environment, that is even better. However, that is not prescribed in this legislation. We are told that the market will work that out. If you believe in the market then you do not believe in this legislation. You cannot believe in it. It is completely oxymoronic to believe in the market. It is like saying, ‘I believe in the market but I’m going to give a complete advantage to one person and the person next door doesn’t get the same advantage.’ You cannot do it. You cannot have it both ways.
These are some of the serious issues that have to be dealt with. So let us put them clearly on the table: Minister, if I were to spend—and I will make a number up—$1 billion in buying agricultural land, for instance, in the Tully region, for the purpose of creating a carbon sink, would I get a tax deduction? What do you think the effects would be on the local economy if that were to happen?

**Senator MURRAY** (Western Australia) (1.04 pm)—In this debate on the Tax Laws Amendment (2008 Measures No. 1) Bill 2008, you have to make a distinction between the arguments surrounding the broad proposal for geosequestration and carbon sink forests and so on and the actual amendment proposed by Senator Milne. I will start with the last first: there are real weaknesses, if I may say through the chair, in the amendment that Senator Milne puts, but there are real strengths in the arguments being put by the Australian Greens, Senator Joyce and Senator Heffernan. I, and also on behalf of the Democrats, put the view that this area has been poorly thought through. This is poor policy. The issue of needing to promote and to get established carbon sinks is an important one; it is a good one. The issue of resolving these issues is an important one and a good one. But I do not think the right mechanism has been found. I think it is a pig’s ear or whatever the expression is: it is the wrong policy for the right reason.

Senator Milne’s amendment is the wrong amendment for the right reason. If I may be so bold as to suggest, Senator Milne, you would be better off putting an amendment to get rid of schedule 3 altogether. That would be better than fiddling around on this basis. The shadow minister has a legitimate criticism: it is difficult to keep the books and records for the tax office and so on with respect to numerous transactions over 100 years. That is difficult to do, and so there are problems with the consequences from your amendment

But I think your central argument is right. It is a good issue. It does need to be resolved, but this schedule 3 is poor policy. The Democrats will in fact support you as much as we can, but do not take that as us supporting every item that you put in this amendment. We are supporting you because we think you have put the right argument and because we think Senator Heffernan and Senator Joyce have a real point. But I would suggest that the cleanest way to do it is just to chop schedule 3 out altogether.

**Senator HEFFERNAN** (New South Wales) (1.07 pm)—I am grateful for the co-operation I have had with the minister’s office in trying to assist me through what I think is a very serious dilemma not only for this parliament but for this nation. I agree with Senator Murray: the thinking behind carbon sinks is sound; the way we are going about it is seriously flawed. Given the fact that the world is now turning its mind to the food task as much as it has in the past to the energy task, this is definitely an attack on prime agricultural land—whether by misendeavour or ill intent or nonpurpose is not the point. That is what will happen.

With great respect to you, Minister Conroy, could I ask of your tax advisers your understanding of the contractual arrangement between a farmer or a leaseholder who receives an up-front tax deduction for a carbon sink and Origin Energy or Country Energy or whoever it is. What is the legal interpretation of a carbon trade? What is the life of the carbon trade? Is it the life of the tree or the first drought or the first fire that comes along? What is the position when I, as Origin Energy, buy a carbon offset for my emissions on your farm and all the trees get burnt? Where does that leave me with my carbon offsets, given that I have actually emitted
carbon? I have a series of questions of that nature which I would like answered because they demonstrate the serious lack of understanding of the implications of this bill. I wish there were some way that we could extract from this bill all the other things that are in it and deal with it on its own in a sensible fashion in the best interests not only of Australia but of the global food task, the viability of farmers and the protection of the environment. There are a whole range of very serious issues here. If ever you see a decent appeal in this parliament to common sense, it is when you have the Greens, the Democrats, the National Party and the Liberal Party all saying it. The government is conscious of these issues, and I have had constructive discussions. For God’s sake, let us find a way to fix all of it.

Senator FIELDING (Victoria—Leader of the Family First Party) (1.10 pm)—I think I had better make sure Family First is on the record that you would have to have your head in a bucket of sand to not realise that this is a concern. As I travel around Victoria, farmers have serious concerns about the leg-up that is being given to helping food crop land go to tree crop land. We all need to do more for the environment but we need to do it on a level playing field that does not end up stuffing up our farmers and communities in a very severe away.

I want to help clarify the debate. A few people are talking about taking out schedule 3. That was passed, basically, last week. Senator Murray has gone now, but to clarify the issue technically: schedule 3 has already gone; it went last week. Family First does have an amendment, one that is very similar to that of the Greens, that makes sure that what was passed last week is not, basically, enacted. In actual fact, you take it out of the act immediately. If you pass the Family First amendment, which is the same as the Greens amendment, you will take out the leg-up and incentive given for carbon sinks. I think very early on in the piece you should really get some advice on the amendment that we have given to you. We are about to foreshadow it in this chamber. The amendment we are proposing will take out the schedule that is already in the act. That is the one that we need to get to because it enacts what Senator Heffernan, Senator Joyce, Senator Boswell and the Greens have been talking about. That amendment will get to the crux of the issue and, if we pass that amendment today, knock it out. From these comments I am hoping that we get support for the amendment that will knock it out of the act and look after our farmers and communities. You would really have to have your head in a bucket of sand to not realise that turning food crops into tree crops, and doing it in such a way that gives tree crops a leg-up, is causing problems in those areas.

Senator MILNE (Tasmania) (1.13 pm)—I hope that the government is prepared to go up to the Tully mill chairman, Dick Camilleri, and tell him why they think this is such a great idea, because he has put his finger on it when he says, ‘If you want a level playing field, get rid of the MISs. Don’t add other MISs on top of them’—which is effectively what has happened. Let us cut to the chase here. What has happened is that managed investment schemes should have been knocked out as tax deductions and were not. They have caused a disaster in rural Australia. They are undermining the social fabric of rural Australia and they are sucking the water out of catchments as we speak. Instead of knocking them out, the government has listened to people who say, ‘They’ve got a tax deduction for cutting down trees. We want a tax deduction for planting them.’ So now we are saying, ‘Okay, let’s have another managed investment scheme for them as well.’ So let us double the problem, not take it away! We have argued for the end to man-
aged investment schemes for forestry, and they should have gone. They are bad policy. Now to put an MIS on steroids, as I have said, on top of that is an even worse position.

I want to unpack some of the deliberate obfuscation that has gone on this morning. For the opposition—which obviously now is going to weaken under pressure from the former minister, Mr Turnbull—Senator Ronaldson said the value of the timber will be minimal. Why? He says, ‘Because these trees will be planted on marginal land.’ There is no requirement in this bill for that. As I said at the beginning, trees, like crops, grow best on the best land with the most water. It stands to reason. So, if your investment depends on those trees growing either for pulp or for carbon credits, you are going to buy land that guarantees you the best return, and you are going to go in there and displace people at Tully, on the north-west coast of Tasmania, in south-west Western Australia and right around Australia.

We have no plan for food security in this country. Yesterday, the Wentworth Group of Concerned Scientists were talking about the water being taken out of the catchments. This is a very bad idea from a purely hydrological point of view. So let’s just get rid of that idea first: there is nothing in this legislation to say that this has to be on marginal land. Secondly, Senator Conroy says: ‘This is a tax bill. It’s up to the Greenhouse Office and the minister for climate change to set the regulations about how this might or might not play out.’ We do not know what those regulations are. I have no assurance whatsoever that even the current requirements for Greenhouse Friendly would apply; I do not know that.

The next thing that Senator Ronaldson said was, ‘Why would you cut down the trees when you’ve gotta make good the carbon?’ That is a deliberate mixing up of the two issues. One is the tax deduction for planting the trees. The other one is that, once you have your tax deduction and planted them, you might then enter into a separate arrangement for carbon credits, in which case if you cut them down you would have to make good the carbon credits. But you do not ever have to pay back the tax deduction. That is the point.

The next point that has been made is: ‘I am a timber company and I’ve got two arms. One is for pulp and one is for carbon sinks.’ So, if I were a timber company, I would busily say my intention is to plant the trees for carbon. However, the price of pulp goes up, so I sell that over to the other arm of my company, my subsidiary company, and I sell it for pulp. So I have the tax deduction to put the trees in; then I sell it, get the high pulp prices and pay no tax difference. Those are the kinds of lurks and rorts that are going to go on. As Senator Heffernan said, once you have planted it and sold it, a week later, once you have collected your tax deduction, you can lease it or sell it to somebody else.

Since when in legislation is it enough to say to get a tax deduction, ‘I intended when I planted that it be a carbon sink; therefore it is one.’ Come on! Why can the forest industry and the big end of town, with the cement industry, the aluminium industry, the coal industry and the airlines, just say, ‘It is my intention at this time,’ but two weeks later or a year later, after they have their full tax deduction, they can say, ‘I changed my mind’? Then we are told the tax commissioner could take action. Well, we have seen how often that happens. It would be years before you got through the courts, so that argument is completely wrong.

As to the argument, ‘It’s very, very hard to legislate for 100 years,’ what nonsense! Our amendment is that the easement be registered on the title. That is what covenanting is
about. There are plenty of schemes at the moment where you put a covenant on the land and then you resell it. The covenant is on the title; the person buying it knows the covenant is there. It is not complex, it is not difficult and it is happening now. I would have thought that Senator Ronaldson would have known that and I am surprised that Senator Murray thinks it is complex. It is not complex and it is not weak. Covenanting land is already done right now. That is what Bush Heritage and the Tasmanian Land Conservancy do: they get land, they covenant it and then in some cases it is onsold with the covenant so that that forest is always protected.

So let’s just dump all this nonsense. We are being told: ‘We want to give a tax deduction to people to plant trees and we’ll leave it up to somebody else to determine where, when, how and whatever else. We just want to make sure the money rolls for the people who plant the trees. We’re not interested in whether this carbon is actually sequestered in the long term. We’re not interested in that; somebody else can determine that. All we want to make sure is that up-front these guys get the money, because there is a whinge on at the moment saying, ‘They get it for cutting them down; we want it for putting them in.’ Those who are cutting them down are saying they do not mind because they know if we stop this our next step will be to get rid of managed investment schemes. That is what we should be doing. Bring in legislation here to get rid of them and I will be the first one on my feet supporting it.

Also, bring in legislation here to give a tax rebate for people protecting standing forests or protecting native vegetation. If you wanted to really help farmers who have marginal land you would be saying to them, ‘We will give you a tax break or a rebate for covenanitng and protecting on your property the standing trees or the native veg that you’ve got.’ That would be a big help to existing landowners. But this is not about existing landowners. That is why it says in the legislation the people getting the tax deduction do not have to bear any relationship to the land. They do not have to be a farmer or be engaged in any farming activity at all. Why? Because it is not designed for farmers; it is designed for the coal companies, the airlines, the cement industry and the forest industry. That is who this is designed for, as well as the big end of town, Collins Street investors, who want to minimise their income by investing in this way.

So let’s stop the furphies. Just stop it all now and admit what you are doing. Former Treasurer Mr Costello brought this in the May 20007 budget. It was for this very reason: to extend the MISs through another name. He did not act on it until the last day the Senate sat before the federal election, when it was brought into this house. I stood up then and said, ‘You cannot stand up in rural Australia in this election campaign and tell people you are vaguely interested in rural Australia if you dump this on them.’ And within half an hour, it went from essential legislation that had to be gotten through before the election to nonessential and it was dropped, because they and the National Party knew they would not be able to go into rural Australia telling people the last thing they did before the election was to dump more MISs onto them under this legislation, which is so ill-considered.

I am shocked that, having knocked it off last time, the Labor Party in government has brought it back, because it is just as ill-considered now as it was then—even more so considering that we are about to have a green paper on an emissions-trading scheme. We are meant to be having level playing fields, not setting up offset programs for companies that should be reducing their carbon at its source—at their cement factories and at their
coal factories. Where is the equivalent? As I go on and on about, if you really were serious about greenhouse you would stop the loss of the carbon stores now, not subsidise them through logging and the RFA.

Senator Ronaldson tells me that I can be assured the Greenhouse Office and the climate minister will take care of it. What a joke! We have the Minister for the Environment, Heritage and the Arts, Mr Garrett, and the Minister for Climate Change and Water, Senator Wong, saying that logging in Tasmania is fabulous, that they love it, it is all under proper environmental controls and it is a beautiful thing. When you ask, ‘What about the greenhouse gas emissions from the pulp mill?’ they say, ‘We do not have to consider that under the legislation.’ When you ask, ‘Where is the greenhouse gas trigger for the forests?’ they say, ‘Oh, we don’t have one of those.’ Do not insult our intelligence by suggesting for one minute that Minister Garrett or Minister Wong care one iota about the emissions from the loss of our carbon stores right now. The point is that the carbon stores that are right now being subsidised to be logged and cleared have millions and millions of tonnes more carbon in them than these plantations, which would take a hundred years or more to absorb the carbon that is already there in the forests that are going to be logged. So let us not pretend that this is anything other than a managed investment scheme under another name, with no protection for anybody about anything in relation to carbon. The only people who are excited about this are the people out there offering the product to make their commission, profits and so on in relation to it.

My amendments are sound, but another amendment would be to dump the whole thing. Given what the National Party and Liberal Party coalition said last night, recognising that this is a rort, I suggest the option of getting rid of it completely. So you have several options from me: (1) mixed species; (2) a hundred years; (3) ecological assessment, including hydrological assessment and impacts on surrounding places and communities; or (4) dump the schedule altogether. That is my preferred option. I have a deal for you: put this option to get rid of it all on the table of the Senate. Let us see where the political will exists. I think the political will exists back in the offices of the former Treasurer, Mr Costello, the former Minister for the Environment and Water, Mr Turnbull, and the current Minister for Finance and Deregulation. It has nothing to do with carbon.

Again, I am very keen to hear from the minister representing the government, who is not even listening to what I am saying—that is how little interest the government has in this debate on climate and its impact on rural Australia—on where my guarantee is that these trees are going to be in the ground for any length of time. Where is my guarantee that, if I get a tax deduction for them and on-sell them after I have had my tax deduction, there will be any requirement to make good or any requirement for the area to be an ongoing sink? Is the minister’s conversation with Senator Coonan so interesting that the government is not even prepared to answer the questions? I hope people listening to this in rural Australia feel angry about the lack of interest in this parliament in what is happening to them—people like the dairy farmers pushed off the land at Preolenna and the cane growers pushed off the land at Tully. The dairy farmers were forced to sell out. The factory told the last one to put in greater storage because they were not prepared to come every day to collect the milk. He was driven out of the district. In Tully it is the same. At a certain level, the mill is unviable. Right around Australia it is not just the farmers but the mills and then the whole community that suffer. But apparently that does not
matter as long as the big end of town get their tax deductions. The cement industry, the coal industry, the aviation industry and all the other industries that will get on the back of this are happy with the government’s lead to an uneven playing field for an emissions-trading system.

I am pretty angry about this and I never want to hear a backbencher or minister from Labor—or from the coalition, if they support this—turning up in rural Australia and saying, ‘Oh, what a shame. We didn’t know this would be the outcome.’ You knew it would be the outcome; you deliberated on it being the outcome; and I know now that you are going to vote for it to be the outcome. Let us hope we do not have this kind of hypocrisy and let us hope we get some sense out of this. Senator Conroy, would you please tell me now: what are the conditions that the climate change minister is going to put on these carbon sinks? Tell me now before the vote so that people here know what these conditions will be.

Senator BOSWELL (Queensland) (1.27 pm)—Last night we saw an exhibition that we do not often see in this place. The Greens, the National Party and the Liberals were so concerned with this legislation that we sprang into action once it came through. I cannot think of many times in the past 10 years that I have agreed with the Greens, but I suppose a stopped clock has to be right twice a day. I am absolutely concerned with this. I have investigated what has happened with managed investment schemes, and this seems to me to be a managed investment scheme under a different name. I was so concerned with this that a couple of days ago I looked at the legislation and then rang up and found out that this bill had gone through. I thought: oh well, there is not much I can do about it. But when the Greens put forward their amendment and opened up the debate again I saw the opportunity to try and head this legislation off at the pass.

I think the first question Senator Conroy has to answer is whether the money that will be outlaid for the property is a tax deduction. If it is then we are in very serious trouble. I will put it in a more formal way: I ask the minister to respond as to whether the initial purchase of the land to grow these trees for a carbon sink will be a tax deduction.

All the things that the Greens and Senator Joyce have said are totally accurate. We were fortunate enough to head off MISs on strawberries and fruit and so forth. We headed them off at the pass. The people out there were so grateful we did, because people were selling a tax break against strawberries or bananas or some other product. The MISs were going in and glutting the market and driving the prices down on agricultural products. Fortunately we were able to get rid of that. But now we have another type of MIS coming forward. I have seen it with my own eyes. I put forward as an example something that happened in Tully, where a fairly wealthy grower of both bananas and cane decided that he wanted to buy the property next door. This guy was a wealthy grower and he said he was prepared to go to the maximum, and even more than the maximum, to get the property next door. He offered the highest price possible, which would have allowed him no return, to get the land. He told me he was not in the race. He said he did not come within cooee of getting the land.

The implications of MISs are large. If a farmer wants to expand his property, he cannot. If he wants to buy a property for his son, he cannot. He cannot do it because he cannot in any way compete against MISs. Now we are seeing another MIS under another name. People are going to grow a product where the land produces the best trees, the best
cane, the best bananas or the best anything. That is where they will put it—in prime agricultural land. In Queensland we have got an even more difficult situation because, under the tree-clearing act, people cannot cut down trees to put another forest in. So the only alternative left to them is to go and buy prime agricultural land. So we are getting the MIs going to prime agricultural land.

Everything Senator Joyce has said is accurate. There is no critical mass. Once the cane industry loses critical mass, the mill cannot work. They have got to work on around two million tonnes of cane. Once that goes down, the mill becomes inefficient and cannot produce at a reasonable cost. I fully understand what happens in the dairy industry. Once trees go all around dairy farms, they cannot get the milk truck out because there is no-one to pick up from in between. You are seeing this all over Queensland at the moment. The last thing we need is another MIS. I am concerned that public companies with lots of money can just go in and buy up this agricultural land.

I think this is probably one of the first debates we have had here where we are talking about carbon sequestration as against food production. This is a debate that is going to come into this parliament more and more as the prices of food and groceries go up. Mr Rudd told people that he would keep an eye on the prices of groceries. He is certainly keeping an eye on the prices of groceries while they are going up! I can tell you that the more agricultural land that goes out of production and goes into trees, the higher the prices of groceries are going to go.

It is not just the odd little farm that is being taken over. Around the Tully mill—just off the top of my head—something like 20 per cent of the land has already gone into trees. You cannot blame the people that are selling the land. They are going for the highest price. I do not mind competing. I am in the competition business. Whether I am growing bananas or sugar, I will compete. But I cannot compete against a tax break. If you want to make it fair and even, take the tax breaks away and let me trade my bananas against cane, trees or whatever. But let it be a flat decision. We have got everything loaded here against the people that are producing our food. We have got everything loaded against farmers.

I just appeal to you. What I saw last night was five people coming from different sectors, for different reasons, all realising that this could be a disaster. We have already got a disaster with MIs. We do not want to encourage it further. Someone told me today, ‘Your first loss is always your easiest loss.’

Senator Heffernan—That was me.

Senator BOSWELL—That was you, Senator. You are a wise man. Let us not go down this track. The National Party are coming at it in a different way from the Greens but the answer is the same. Senator Heffernan is coming at it in the same way as the National Party. We are interested in rural production. Every time we go back to Queensland, we are out amongst the cane farmers, the dairy farmers or the banana growers. We know what is going on. We can all see the consequences. They may be unintended consequences—no-one is saying that the intention is to go in and do this—but we can tell you, from our own practical experience, because we are around the industries all the time and we see what is happening, that we know what will happen if you get another MIS. I appeal to the government and to the coalition not to go down this track, because we are going to end up in more trouble.

The TEMPORARY CHAIRMAN (Senator Murray)—Senator Joyce, before I
call you, the minister asked if he would be able to respond.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.36 pm)—We are running out of time—

Senator Heffernan—Can we call for an extension of time?

Senator CONROY—No. We have already had an extension. I am not saying the debate is ending. We do not end until the committee stage is finished, but we finish at 20 to two, so I thought I might respond to some of the points before then. Senator Joyce, Senator Heffernan and Senator Milne asked some questions. I do not quite have them in that order but here are some answers.

The company would get a deduction for establishment costs only, which does not include the cost of the land. I think Senator Boswell asked an important question. It is only the planting of the trees and the establishment costs, not the land. So it is highly unlikely that anyone would want to spend a billion dollars on a carbon sink forest because they would be spending it only on that aspect, not the purchasing of the land, which I think Senator Boswell indicated was an important part of it.

Senator Heffernan, this bill deals with establishment expenditure. Issues about contracts, treatment of credits et cetera are not within the scope of this bill. There are already tax laws, rulings et cetera that deal with these issues. Furthermore, the framework for offsets will be appropriately dealt with under the ETS. It should not be included in the tax law. I did mention, and it has come up a couple of times, that there will be a green paper on the ETS, which will set out a range of options. That would be the appropriate place to have this debate. I highlight 8.9 on page 52 of the bill which states:

The primary and principal purpose of establishing the trees must be for carbon sequestration and cannot include the purposes of felling the trees or using them in commercial horticulture. This deduction will only apply to those taxpayers who establish trees as part of a carbon sink forest.

Senator HEFFERNAN (New South Wales) (1.38 pm)—Thank you very much. The difficulty is that I know someone who has already contracted 3½ thousand acres to do this. Minister, as you have just pointed out, we do not really know what the contractual arrangements are because the law is silent. We have not got around to sorting out what it, in effect, means. This legislation is putting the cart before the horse. We clearly need to have the courage and political will to say, ‘Sorry, but we’ve all collectively made a mistake here because we do not know whether farmers are included or excluded from the full obligation in carbon.’ At $17 a tonne, every irrigated dairy farmer in Australia will be insolvent. We do not know the answer to that. We do not know the price of the carbon in the offset trading because that would determine what type of land will be used. I hear everyone saying that we should only use marginal land. Well, let me tell you, if I have the best farming land on the Liverpool Plains, and I can get $80 a tonne as a carbon credit every year and live on the Gold Coast, I will not grow wheat. This is an attack on prime agricultural land.

Progress reported.

VALEDICTORIES

Senator NETTLE (New South Wales) (1.40 pm)—I would like to say thank you to the people of New South Wales for giving me what has been an incredible opportunity over the last six years to represent them here in this parliament. I have really enjoyed my time here. The thing that I have enjoyed the most is the opportunity to help individuals who have a particular passion for something and to assist them in getting their voice heard.
or assist them with the problem which they are trying to resolve. Some of those problems have been resolved and some of those are yet to be resolved. It has been an incredibly rewarding experience.

I would like to thank my Greens colleagues and also others who have been part of inspiring me and the work that I do here. I do not just want to thank my Greens colleagues here in the Senate, but also Greens colleagues such as Michael Organ and others in parliaments right across this country and around the world for their green spirit and their green inspiration.

To the Greens members, I say a tremendous thank you for the hard work you have done to ensure that I and others represent the Greens in parliaments across this country. I want to say a few words about my incredibly dedicated staff for the work they have put in; it has been way beyond the call of duty. I acknowledge the journey we have all been on together, the highs and the lows. It has been a fantastic journey and I thank all of them for that.

I also want to thank my family and friends for the support they have always given me and continue to give me. I acknowledge the times that I have not been able to be at family gatherings or the times I have been there, completely exhausted. I also want to acknowledge the family and friends of my staff and my colleagues, because they too have those experiences where their loved ones cannot be at an event or are working hard because they need to be here doing the work that we all do.

I want to thank and pay my respects to the Ngunnawal people because it is their land that we gather on for these sessions of parliament. Finally, they, like so many Indigenous Australians, received an apology to the stolen generation earlier this year. I want to acknowledge the Cadigal people from the Eora nation; they are the people who are the traditional owners of Sydney, the land where I live and have done so much work.

I have been really fortunate to meet an incredible number of inspirational Indigenous women. I want to acknowledge them because they continue to inspire me—from people like Yvonne Margarula, who is a senior traditional owner of the Mirrar people on the land where the Jabiluka uranium mine was proposed, all the way through to people I have met more recently through my parliamentary work. They are incredibly inspiring women and they continue to enthuse me in the work that I do.

Lots of people have inspired me: people who have written to me, people I met occasionally and people who have sent messages of support. I have had the enormous privilege of meeting so many wonderful asylum seekers in detention centres around this country. I have been fortunate enough to see many of them now out of detention, trying to rebuild their lives and trying to get on with their lives. Many of them suffered so much as a result of their detention.

I had the great joy of going to Christmas Island and meeting some West Papuans who, at that time, were very nervous about their future. It is wonderful to see them now integrating into Australian society and enjoying being part of our culture, where they can stand up and defend the people of West Papua and their right to self-determination.

I had the great joy of travelling to Israel and Palestine, and meeting many people who work so hard for peace in that really important part of the world, and I will say some more words about that later on. I also want to thank the public schoolteachers who give me inspiration in the work that they do and are a part of making this country the great country that it is.
I come from a party which is about vision and optimism and is full of new ideas for the future and the challenges that we face. I will talk some more about that later. Some of the other things that we also stand for are very old ideas—principles such as justice. The Greens stand up for justice, and that is why we stood up for Mamdouh Habib and David Hicks and the inhumane treatment that they were subjected to. That is why we have stood up for so many people—the Palestinian community, West Papuans and people all around the world—because we hold that principle of justice so dear in our hearts. We have got a long way to go in ensuring that justice plays a fundamental part in our society.

We have seen an incredible onslaught of laws about terrorism since September 11 and, if we want to hold our heads high and say that we are a country that respects civil liberties, then we have got a lot of work to do to get laws like sedition off our law books, to ensure that people are not detained without trial and not questioned incommunicado by ASIO for a week. There is a long way to go in ensuring that we can hold our heads high and say that we are a country where we defend our civil liberties.

The other area I have worked quite a lot on in my time here has been the treatment of refugees. Before I entered this parliament the MV Tampa came over our horizon and Greens leader Bob Brown stood up and said what so many Australians were thinking, which was: ‘We want to treat asylum seekers humanely and compassionately.’ We have seen an incredible surge of community support for this fairness, this sense of needing to help people who come from persecution, come across the seas and need our protection. We have seen that change because of Rural Australians for Refugees and all the groups in the community who have worked hard. Their voices have been heard in this parliament, and for me that has been a tremendous example of the way in which community activists, who are having conversations in their workplaces, can effect change that finally makes its way into the parliament. We have seen some changes in laws but, again, we have got a long way to go.

I was the first member of parliament who raised the case of Cornelia Rau; then we had Vivian Solon. We have had more and more instances of people’s lives being ruined as a result of the tragedy of mandatory detention that still exists in this country. Until we get rid of a system which says that you lock people up and then you ask questions, we are going to have more Cornelia Raus, we are going to have more Vivian Solons. There is more work that needs to be done. We have seen changes in that arena but we have got some way to go to be able to stand up proudly and say: ‘Not only are we a welcoming country but our laws recognise that in how we treat asylum seekers.’ There is much work still to be done in that arena.

Of course, we have the issue of climate refugees. We have got Nicholas Stern and others predicting that by 2050 there are going to be hundreds of millions of people displaced as a result of climate change. We are yet to have a system in this country for dealing with the next big wave of refugees, which will be those climate refugees.

I am wearing a scarf today which is made by a women’s collective in Bayt Sahur, which is a little village near Bethlehem in Palestine. I had the opportunity to go and visit them. They are one group of people who need and deserve justice. I believe that we in the parliament have an incredible responsibility to stand up for justice for people who do not otherwise have their voices heard. Earlier this year in the parliament, we had the government and the opposition moving a motion in relation to the 60th anniver-
sary of Israel but we had no mention about what that experience has meant for the Palestinians. If we want to constructively contribute towards peace and addressing the big conflicts that drive so much of the tension in our world, then we need to play a constructive role rather than being so keen to ensure that Israelis understand that our government supports them. We need to stand up for things like UN Security Council resolutions, which say we should not, every day, have more settlements, roadblocks and checkpoints being built on the land of the Palestinian people. Let’s stand up for things like that—UN Security Council resolutions. I think this is an area where we have got a long way to go in ensuring again that we can hold up our heads proudly and say: ‘Justice is important to us.’ We want a just peace in the Middle East and we recognise the flow-on consequences that it is going to have for the international community.

Another issue that I want to talk briefly about is how we treat same-sex couples in this country. The rest of the world is moving on and recognising that we should not be discriminating against people on the basis of whom they love. I am pleased to see that apparently once we have had an inquiry—again—into this matter we may be heading in this direction, but again we have got a long way to go. We are seeing more states in the US recognising gay marriage. We are going to recognise it here in Australia before too long. The only things holding us back are those little pockets of homophobia that you find in our parliaments. We have got to be able to move on and accept that you cannot legislate against people loving each other. It does not work; it is not going to happen that way. It is one of those arenas where we are going to see change. I am disappointed that I am not going to be here to see that change, but we are going to see it. It is about acknowledging the contribution that everybody makes to our society and the respect with which everybody needs to be treated.

One of the other things that I have enjoyed being involved with in this parliament is working with people right across the political spectrum in standing up for women’s reproductive rights. We have had some great wins here in the parliament in improving the access that women in Australia have to reproductive rights. We have got some way to go in ensuring that we extend that access to other women around the world. There are developing countries in our region where up to 30 per cent of the hospital beds can be filled with women who are trying to recover after having a botched or unsafe abortion. That is an incredible public health issue, and we need to ensure that our aid money is assisting those women who are dying in hospital beds in countries like Cambodia and others in our region—countries where abortion is legal but our aid money does not even tell those people how they can get access to those services. We need to ensure that our aid money is effective. We need to ensure that women around the world have the same reproductive rights as women in Australia have. We have got a long way to go in ensuring that we do that, and I have enjoyed working with people from across the political spectrum to achieve that. As far as I know, we are not there yet and we have got some way to go.

I want to talk briefly about public education. I come from a family of public educators. It is our public schools that have made this country great. We need to see a massive injection of funds into our public schools so that they can really prosper and so that every kid can get the best quality education—an education that they deserve—that this country can provide them. That needs to happen in our public school system. That is where people can get an education, regardless of their parents’ ability to pay. It needs to be the
government’s No. 1 priority. You cannot have an education revolution unless you put money into our public education system. That is something I desperately want to see, because it is what has made our country great. We need to make sure that it is not diminished by taking that funding away. We have had massive underfunding of public schools; we need to see that injection of funding into our public schools.

I wanted to talk about the importance of public education and public health. We are still spending $3.5 billion every year subsidising some people’s private health insurance rather than putting that money into our public health system. These are fundamental issues of justice. It is about ensuring that we run the country properly and that people can access the public health and public education systems that they need. I wanted to talk about these issues today because I think they are issues that we do not talk about enough. The importance of public education; the importance of public health; the importance of justice for Palestinians, refugees and same-sex couples; and the importance of women’s reproductive rights are issues that we need to talk about more in our parliament.

They are also issues about which I think that the attitudes reflected in this parliament are extraordinarily out of step with the attitudes that exist in the community. Now, we are going to see that change occur, because the change that happens in the community eventually makes it way in here. But there is a real disconnect between some of the homophobic attitudes in parliament and the attitudes of the people in the community who say, ‘We want gay marriage to be recognised.’ There is a similar disconnect between some of the attitudes in parliament and the attitudes of people in the community—including large numbers of Liberal voters in marginal seats—who say, ‘The federal government should be spending more money on public education.’ There is a real disconnect on some of these issues between the attitudes in the community and the attitudes in the parliament.

Whilst I have focused on some of the issues where I think there is a long way to go, I am actually feeling positive about the good hands that the Senate is going to be left in. There are going to be more Greens in here from 1 July, and they are going to be part of the balance of power here in the Senate. The greatest challenge that our planet faces right now is global warming. Here in the Senate we are fortunate to have the expertise of the remaining and the new Greens senators, who will be able to contribute to that challenge that global warming and climate change presents us with. In Germany, we saw the Greens driving the change from an economy that was reliant on coal to one that is now one of the greatest exporters of renewable energy technology.

I really appeal to the government to seize this opportunity. You have a wealth of experience here from the Greens in this parliament and the greens around the world to assist in that process. This country and our planet will be better off if we recognise the urgency of the challenge and we take the community solutions that are already there, inject a bit of political will and work to look after this planet. I really urge our government, and Minister Wong, who has just entered the chamber, to use the expertise that exists amongst the Greens senators and the greens around the world to ensure that we too can transform our economy from one that is reliant on coal to one which is exporting renewable energy technology. It is urgent; it is an emergency. We are seeing the Arctic ice-shelf melting, which just reinforces for us how crucial it is that we take action now and inject that political goodwill into the solutions that are out there. We have been talking about climate change for decades. Now what
we need is the political will to do something about it.

I am optimistic about leaving the Senate in the hands of such capable senators from the Greens, a party which will continue and expand after I am gone. It has been a wonderful experience. I said in my first speech that social change does not happen in chambers like this; social change happens in the hearts and minds of people. It foments in workplaces and on the streets, and sometimes it makes it way in here. But I am going to go back out onto the streets now and I am going to feel confident that, with more Greens voices in here, our voice is going to be heard and we are going to see that social change occur.

The ACTING DEPUTY PRESIDENT (Senator Murray)—Senator Brown, you have 2½ minutes.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.57 pm)—If I had 2½ years, I could not say well enough what I think about the senator who has just spoken. Through you, Mr Acting Deputy President: Kerry Nettle, our parliament’s loss is the Australian community’s gain. You are a magnificent Australian citizen with a lot more to give not just to this country but to the whole world. You came here and, in your first speech, apologised to the Indigenous people for the loss that they had suffered to make us all prosper in the way that we have. Just before you are due to leave, we have seen the Prime Minister deliver a speech of apology to the very same people. Your vision for Australia is optimistic; your vision for the world is positive. Your commitment to women in the world and dispossessed groups has been second to none in this parliament. You have brought a young and wonderful intelligence into this place. You have shown great courage. I remember you standing up in the other chamber when President Bush was speaking to represent a strong voice in Australia, which now has majority support.

You have been campaigning with groups who have been in the minority in this country, and you have seen the progress of those people to the forefront, particularly on social justice and environmental issues in this nation. I thank those who have supported you, and I am buoyed by the thought that you are now going to have much more time for them and be much closer to them. They deserve it, and so do you. I know that we are going to see a lot more of Greens Senator Kerry Nettle in her new role and her new freedom working for this nation. All I can say is: thank you for being such a wonderful friend. Thank you for being such a fine intellect. Thank you for being such an honourable person. Thank you for being such a great advocate for many people who otherwise would not have had a voice in this representative parliament. You are a splendid human being.

QUESTIONS WITHOUT NOTICE

Emissions Trading Scheme

Senator CHAPMAN (2.00 pm)—I direct my question to the Minister for Climate Change and Water. Can the minister confirm that the cabinet met, without officials, last week and decided not to include petrol in the emissions-trading scheme, at least until 2012?

Senator WONG—Obviously, we do not discuss what may or may not occur in a cabinet context. But I am very happy to address the issue of coverage of the ETS, because what we do know is that those on the other side simply do not know if they are Arthur or Martha when it comes to climate change.

Senator Johnston interjecting—
Senator WONG—It is interesting that Senator Johnston interjects. I note that he was reported today as having said:

We think the Government’s 2010 timetable is completely unrealistic and 2012 is also looking that way...

My recollection is that previously Senator Johnston has said that 2012, the previous government’s timetable, was appropriate. So which is it that Senator Johnston supports? But this is not the only inconsistency we see from the former government when it comes to the issue of climate change. We know that those on the other side are completely divided on this issue. We know that Senators Minchin and Bernardi are amongst those who are still climate change sceptics. And we know that the moderates, Mr Turnbull and Mr Hunt, are attempting to put forward a policy which attempts to grapple, at least in some small part, with the issue of climate change. But the fact is that the opposition is simply not up to the task.

Senator Chapman—Mr President, I rise on a point of order. The minister has now been answering this question for some 1½ minutes. The question I asked was very straightforward and very simple. The minister is dissembling. Could you please ask the minister to answer the quite specific question that I asked?

The PRESIDENT—Minister, I would remind you of the question.

Senator WONG—I actually addressed the specific issue asked in the first sentence of my answer. If that is all Senator Chapman wants to discuss on this, I can understand why he feels embarrassed at the division and inconsistency on his side of politics. It is quite clear that those on the other side are simply not up to the task when it comes to the economic challenge of climate change. In government they squibbed it—

Senator Brandis—Mr President, I rise on a point of order. There were two elements to the question: did a meeting occur and was a decision made? It may be that, as to the second of those two questions, what Senator Wong said in the first sentence of her answer was correct. But it does not address the question: was a meeting held? It has always been the practice of the Senate, both in the chamber and in committees, that a question as to whether a meeting was held is a proper question and deserves a direct answer.

Senator Chris Evans—On the point of order, Mr President: Senator Brandis QC seeks to make some sort of fine legal arguments—

Senator Abetz—It’s SC.

Senator Chris Evans—I chose that deliberately, Senator Abetz. I won’t tell you how I interpret QC, but anyway.

Senator Ian Macdonald—It’s SC. You know his name; you’re a donkey!

Senator Chris Evans—Senator Macdonald, are you all right there?

Senator Ian Macdonald—You’re such a donkey! You know his name; get it correct.

The PRESIDENT—Order! Senator Evans, resume your seat. Senator Macdonald, you will withdraw that comment.

Senator Ian Macdonald—I withdraw.

Senator Chris Evans—That is the sort of intellectual contribution we are getting from the opposition. But this is important. The senator asked a question of Senator Wong about petrol and climate change and she is answering that. She made it clear in the first part of her answer that she will not be discussing what cabinet discusses. But it is in order for her to answer the question in the broad, because those were the issues referred to. She is perfectly in order in answering the question in the way she has been.
The PRESIDENT—Order! Senator Brandis, I cannot direct the minister to answer the question. It is her choice as to how she answers the question, as long as she remains relevant. I have reminded her of the question, and I do so again.

Senator WONG—Thank you, Mr President. As I was saying, those opposite simply are not capable, it appears, of confronting the economic challenge that is presented by climate change. It really exemplifies that they are the party of the past. Just as they squibbed it when they were in government on issues such as skills and infrastructure, just as they squibbed it on investing in the nation’s future, so too are they now squibbing it when it comes to the economically responsible task of responding to climate change. We have made our timetable for decision making quite clear. We have said we will receive the Garnaut report, which is also what you say you are waiting for in terms of a decision. We have said we will issue a green paper which will go to issues of ETS design, including coverage. It will go to those issues as well. But when we make our decisions we will do so with a very clear eye on securing the nation’s prosperity into the future and with a very clear understanding of the consequences of variously designed decisions.

What the opposition is failing to respond to, is failing to deal with, is what happens if you leave certain sectors of the economy out. You will have to come clean with the Australian people that, if you leave parts of the economy outside of the ETS, those sectors which are covered will have to pay a higher price and do more work to deliver the reduction in emissions that this country and the globe needs. And what will become clear over time is that this opposition simply will not face up to the economic task of tackling climate change.

Senator CHAPMAN—Mr President, I ask a supplementary question. Given the comments by the minister on 6 June that the emissions-trading scheme will have ‘maximal coverage’, hasn’t the minister been misleading the people of Australia about whether petrol will be in the emissions-trading scheme? Will the minister not provide certainty for Australian families about the price of petrol and tell the Senate: is petrol in or is it out? If it is in, when will it start and how much will it cost?

Senator WONG—I think the date is wrong. I think it was 6 February that I announced the very clear, high-level principles the government would take to its approach to ETS design. An interesting thing for Senator Chapman to note is that it is the same position that you had when you were in government—when Prime Minister Howard finally responded to community concern on climate change and said, ‘Yes, we will have an emissions-trading scheme’—because it was the right thing to do. That was when Minister Turnbull, as he then was, said that petrol and transport should be included. That was the position that you adopted in government. Now that you are in opposition, you do not want to take the hard decisions. You do not want to present a responsible economic alternative. You want to play short-term political games with an issue that is critical to Australia’s future. I have outlined, time and time again, the process the government is going through in its decision making. (Time expired)

Climate Change

Senator MOORE (2.08 pm)—My question is also to the Minister for Climate Change and Water, Senator Wong. Can the minister please advise the Senate on the impact of climate change in Queensland? How does the Rudd government plan to prepare
for our future by tackling climate change and are there any alternative views?

Senator WONG—I thank Senator Moore for her question and for her interest as a Queensland senator in the impact of climate change. The Queensland government has released a report called *Climate change in Queensland: what the science is telling us.*

Opposition senators interjecting—

Senator WONG—It is interesting that we have interjections from the other side, because this is a report that deals with the impact of climate change in Queensland and I would hope that all Queensland senators, not just those on our side of the chamber, might take an interest in what scientists are telling us is its likely impact.

The report is another serious warning about the impact of climate change. It tells us that Queensland will suffer less rainfall, more severe droughts, more sea level rises, more intense tropical cyclones and an increased risk of storm surges. The report highlights that over the next 20 years the number of days above 35 degrees will rise dramatically. So Senator Joyce’s constituents might be interested to learn that in St George there will be 19 extra days each year above 35 degrees. Senator Brandis’ constituents might like to know, even if he does not, that heat related deaths in Brisbane are estimated to be between 800 and 1,400 in 2050, compared with just 134 10 years ago. Senator MacDonald might like to be aware of the fact that the report suggests that Queensland is projected to have the greatest decline in gross state product because of drops in agricultural productivity and exports; that sugar output is expected to drop 12 per cent and beef output 20 per cent over the next 20 years; and that there is likely to be an impact on the Great Barrier Reef and the great tourism industry that has been built around it, which, as you know, generates nearly $5 billion a year and employs tens of thousands of people. These will be some of the impacts of climate change on Queensland unless we take action now.

Those opposite neglected to prepare for climate change when they were in government, just as they neglected to invest in skills and infrastructure to deal with capacity constraints in the Australian economy, just as they failed and squibbed it on the great economic challenges when it came to the capacity constraints in the economy—so too did they squib it on climate change. They failed to do what was needed when they were in government. Now that they are in opposition they are content with playing short-term politics. What this report highlights, yet again, is how we need to change the way the economy works. We have to move from a high-emission economy to the low-emission economy of the future, and, of course, the economically responsible way to do this is through an emissions-trading scheme.

I have outlined on previous occasions the decision-making process the government will go through on this front. There was previously bipartisan support on the ETS but it is quite clear that the opposition now no longer know whether they are coming or going when it comes to the issue of climate change and when it comes to the issue of the emissions-trading scheme. We have seen on the front page of the *Australian* today a range of different positions from opposition frontbenchers and from Mr Nelson. Simply, they do not know what their position is. In government they were prepared to have an ETS; they were prepared to argue for maximum coverage. Now they do not know whether they agree with it, what should be in it or when it should be introduced. They do not even know—and of course Senator Minchin is amongst them—if they believe that climate change is real. You have no credibility. Those opposite have no credibil-
ity on the issue of climate change. (Time expired)

Opposition senators interjecting—

The PRESIDENT—Order! Senator Colbeck, perhaps your colleagues could allow you to ask a question.

Alcopops

Senator COLBECK (2.13 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Given the government initially indicated that the Senate would this fortnight consider legislation to validate the government’s $3.1 billion midnight RTD tax grab, which came into operation in April, will the minister confirm whether drafting instructions have been issued for this legislation and when the validating legislation will be introduced into the parliament?

Senator CONROY—I am happy to seek that information and make sure that I have the exact answer for you. I will get back to you as soon as possible.

Senator Abetz—But I thought we were delaying these things!

Senator COLBECK—Mr President, I ask a supplementary question. I do note my colleague’s comments that we were allegedly delaying legislation from the government. Has the government sought or received legal advice on its position should the Senate not validate the excise notice for this new tax, which took effect on 27 April?

Senator CONROY—I am happy to again get the exact answer from the minister and get back to you as soon as possible.

Climate Change

Senator HUTCHINS (2.14 pm)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry, Senator Sherry. Can the minister please update the Senate on how the government is helping farmers to prepare for climate change? Are there alternative approaches to this important issue?

Senator SHERRY—I welcome the question about agriculture from Labor Senator Hutchins. It is interesting to note that the Deputy Leader of the National Party, Senator Scullion, sits in this chamber. He is in fact—I do not think senators would realise—the shadow minister for agriculture. We have not had one question from the shadow minister for agriculture in six months. It has been six months and he has failed to ask a question. As we have heard from the Minister for Climate Change and Water today, there are few bigger issues facing Australia, whether being faced by individuals, by businesses or by the whole community. But there is another important part of our nation that will face the reality of climate change perhaps harder than most, and that is Australian farmers. Let us have a look at some of the key impacts if we fail to act in this area.

The Australian Bureau of Agricultural and Research Economics, ABARE, predicts Australian production of key agricultural commodities could decline by an estimated $4.2 billion in value by 2030. By 2050 that figure could double to a more than $8 billion decline in production. Australian agricultural exports of key commodities are projected to be decimated by 2030 by around $2.8 billion in today’s dollar terms. By 2050 that figure could rise to around $4 billion in export reduction.

Five of our major agricultural commodities will be particularly hard hit. Wheat production could decline by about nine per cent by 2030. We have heard a lot about wheat export arrangements from the National Party, but they have not said boo about the reality facing the wheat sector: there may not be anything to export by 2030. That is how much the National Party care about this very important issue. Beef could decline by 9.6
per cent by 2030 and 19 per cent by 2050. Sheep meat exports could decline by 8.5 per cent by 2030 and 14 per cent by 2050. Dairy could decline by 18 per cent by 2050 and sugar by 14 per cent by 2050.

This ABARE modelling was prepared a year ago. ABARE had no choice but to use a modelling assumption that the then Australian government, the Liberal-National coalition, would do nothing. They used a modelling assumption that the then Australian government would do nothing because that was the position of the then Liberal-National coalition government: do nothing on climate change. I have outlined the projections, the consequences of doing nothing on climate change. They ignored the facts. It is cheaper to take action on climate change than it is to do nothing. They flatly ignored the plight of our farmers. The National Party in particular have been totally silent on this issue.

But we in the government are determined to honour our election commitment. We will establish a comprehensive emissions-trading scheme. We will establish that because it is important to look after and protect Australian farmers. The National Farmers Federation have said:

The NFF believes climate change to be possibly the biggest risk facing Australian farmers in the coming century.

There has been not one question from the National Party on anything to do with agriculture in this chamber in the last six months—not one statement on the importance of tackling the issue of climate change. I have referred to the National Party as doormats, but on this issue they are literally under the doormat. You never see them; you never hear from them. They have nothing to say. They are totally irrelevant to this important future issue facing farmers in this country. **(Time expired)**

**Broadband**

**Senator RONALDSON** (2.19 pm)—Don’t give up your day job, Nick. My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister assure the Senate that the government will keep its key election promise to commence construction of its national broadband network by the end of this year?

**Senator CONROY**—Thank you for that question. It is my first from Senator Ronaldson on my portfolio. As part of our election commitment to boost Australia’s productivity, the Rudd government have indicated that we will commit up to $4.7 billion and will consider regulatory changes to facilitate the rollout of a national broadband network. This will be the biggest national investment in broadband infrastructure ever made by an Australian government. It demonstrates our commitment to investing in infrastructure that is vital for Australia’s long-term prosperity.

The government are moving quickly to fulfil our election commitments. On 11 April the government released the formal request for proposals, which is publicly available for parties interested in the national broadband process. The RFP sets out the Commonwealth’s 18 objectives for this project and the framework under which the proposals will be evaluated. Amongst other things, the objectives clearly state that the national broadband network should cover 98 per cent of homes and businesses, offer minimum download speeds of 12 megabits to each end user and use a fibre based network. The timetable provided in the RFP is indicative, and it states that quite clearly.

The government stand by the announcement I made on 22 May that proponents will have 12 weeks to consider network information required to lodge submissions from the
date that the last information is made available. We are engaging actively with carriers to ensure that the network information is made available as soon as possible. Unlike the former government, we have made it very clear that we recognise that proponents will need access to relevant network information to prepare national broadband network proposals on an equal footing. This is unlike the proposal from those opposite, where there was no expert panel considering the information and no information was sought from the telco providers. They were just told to bowl up a proposal to the former government’s broadband plan. So let us be clear about this: we are going through this systematically and methodically. It is very important to the RFP process that proponents get access to the right information.

We are in the middle of a live competitive process now, and proceeding as quickly as possible. It is of critical importance that integrity and confidentiality are maintained to ensure the NBN process delivers the best possible outcome for Australia. It is not appropriate that the government conduct a running commentary on a live commercial process, and, as such, I will not be commenting further on this matter.

Senator RONALDSON—Mr President, I ask a supplementary question. In light of Mr Rudd’s broken promise and the abject failure of the minister to answer the question, I ask: what is the government’s exact timetable for delivering on its broadband election commitment? Isn’t this just broadband in the never-never as it was described in the Age last week?

Senator CONROY—Given that the opposition—the then government—had 18 failed broadband plans, it is a bit rich for you, or any of your colleagues, to be coming in here and talking about Australia’s broadband performance in the never-never. We are so far down the international rankings that we are a joke. People who visit this country from overseas think that our broadband performance is embarrassing. This was all presided over by those opposite, because they just did not understand the revolution that is taking place around the rest of the world—the revolution in the way that we will be educating our young, the revolution in the way we will be gathering information, and the revolution in the way that we will be teaching. Let’s be clear about this: being lectured by the opposition about broadband in the never-never when after 11½ years they had 18 failed plans is just a little rich. (Time expired)

Climate Change

Senator NETTLE (2.24 pm)—My final question is to the Minister for Immigration and Citizenship, and it relates to the issue of climate refugees and the recent visit by the President of Kiribati last week. He said that the people of Kiribati will have to evacuate their whole country within the next 50 years and that the process of migration needs to start now. What system does Australia have in place now in order to help our Pacific island neighbours whose countries are disappearing under rising sea levels?

Senator CHRIS EVANS—I thank Senator Nettle for what will be her last question. When I knew that would be today, I figured I would get it. I bet my staff that I would get it, but I did not pick the question though. You are not that predictable, Senator!

Senator Ian Macdonald—How do you know that she will not have a question tomorrow?

Senator CHRIS EVANS—She said it was her last question, Senator—you really ought to wake up.

It is an important question, and I know the issue of potential climate-change-driven refugees is one that there is a great deal of
focus on at the moment. As a government, we do recognise that environmental factors can contribute to displacement. Climate change impacts primarily by exacerbating existing challenges and pressures such as access to fresh water, storm inundation, and frequency of cyclones, and it may in time pose serious challenges in the Asia-Pacific region, including for Kiribati.

Australia is committed to assisting regional neighbours to adapt to the long-term effects of climate change, including sea level rise and erosion. The best response, where feasible, is adaptation and well-supported internal relocation, rather than resettlement. If, at some point in the future, this is not feasible then Australia has the flexibility to assist with international resettlement. We do recognise that we have a leadership role to play. Australia is working on a range of climate initiatives that include that of Kiribati, providing support for the World Bank’s Kiribati Adaptation Project to reduce the islands’ vulnerability to climate change, climate variability and sea level rise. There is also the sea level and climate monitoring project, which collects high-quality, long-term data on absolute sea level movements across the Pacific, and the climate prediction project, which is strengthening the capacity of the Pacific national meteorological services, including Kiribati, to interpret weather and climate data and provide climate predictions to support industry, government and the community. Additionally, the government has committed $150 million over the next three years to meet high-priority climate adaptation needs in vulnerable countries in our region.

We are committed to reducing emissions in our own country, to adapting to the impacts of climate change and to helping to shape a global solution. What we do in our country will also be important to that contribution. As I say, we do recognise that a range of Asia-Pacific countries in particular do face very serious, immediate issues. We are trying to work with them to address those. There is a dialogue commencing with those countries in addition to the measures that I have outlined. They will, no doubt, be taken up at the meeting in Niue, which I think is in August.

In terms of my own specific portfolio responsibilities, we are doing some work inside the department, but, as I say, the focus is very much on adaptation at the moment. Any response in terms of immigration would only come when we think we are much closer to dealing with some sort of immediate problem. We are doing what we can to assist on the adaptation front and with the funding of research. That is a program of work that will, obviously, continue over the coming years as part of our engagement with those nations. I am sure it will be a focus for the government for quite a while to come.

Senator NETTLE—Mr President, I ask a supplementary question. It relates to the comments by the President of Kiribati that the migration must start now. I want to know when we are going to put in place an actual mechanism to accept climate refugees—and not just from Kiribati. Nicholas Stern predicts that there will be hundreds of millions of climate refugees within the next 40 years. When are we going to start actually creating a system for accepting climate refugees?

Senator CHRIS EVANS—I thought I had made clear in my answer that we are actually focused on the adaptation—that we are focused on trying to deal with the issue at source. I also indicated, though perhaps I should do it more directly, that we have not got a current plan for, if you like, relocation of those peoples to Australia. Clearly we understand that, if things reached an emergency level, Australia and all the other nations in the region would have to take their responsibilities seriously. But our focus is on adapta-
We cannot fight climate change by merely abandoning various parts of the landmass. We have got to address it much more proactively than that, and that is where the focus is currently.

**Broadband**

Senator BIRMINGHAM (2.30 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Minister, is the industry wrong when they say that your government’s national broadband network could cost up to $25 billion? Minister, if so, why?

The PRESIDENT—Order! Before calling Senator Conroy, I remind Senator Birmingham: you must address your questions through the chair and not directly to the minister.

Senator CONROY—I do not intend to speculate on the total cost of the network. What I will say is that the federal government is committed to facilitating the build of a high-speed national broadband network. As part of its election commitment, as you have already heard today, $4.7 billion has been committed by this government to delivering a high-speed national broadband network. Let me be clear: there have been figures kicked around, from $8 billion to $10 billion to $12 billion to $15 billion to $21 billion and, just recently, $25 billion. There is an active debate taking place out there in the telecommunications industry, because there is a robust desire to win the contract. What you are seeing is healthy debate in the industry. I am sure you welcome the regulatory debate that we invited. We said, ‘Put your submissions in on the regulatory framework.’ And you are seeing a very healthy and robust debate. We are seeing a healthy and robust debate about what technology should be employed and about what the total cost should end up being. But let me be clear about this: $4.7 billion is the limit that the government will be committing. So you can point to figures—and it went from $15 billion to $25 billion in less than a week, from the same spokespeople from the same company. So, I anticipate that there is going to be a robust debate. I welcome the fact that there is a robust debate taking place. But I am not going to be drawn into commentary on the individual players in the industry speculating about what the actual final cost will be.

Senator BIRMINGHAM—Mr President, I ask a supplementary question. Through you, Mr President: I refer to comments made by Mr Rudd, when opposition leader, on 21 March last year when he said:

In terms of the shape of the joint venture, our broad approach, at this stage, is that we’ll be looking at 50 per cent public equity.

I ask the minister if that is still the government’s position, given that he has acknowledged that it could in fact be up to $25 billion in costs. And, if it is still the government’s position, where does it intend to find the $12½ billion necessary?

Senator CONROY—Senator Birmingham then made an attempt to seriously verbal my last answer, but I will put that aside. Let me be clear: in the RFP—which Senator Birmingham and I discussed at length at Senate estimates, and which I even offered to read out to Senator Birmingham so that he would be fully informed, rather than just being handed some questions—it states quite clearly that the Rudd government’s preference is for an equity partnership. It quite clearly states what our preference is; that is set out in the RFP. You can read it. I can get you the page number, I am sure, very quickly, so that you can have that information. $4.7 billion is the cap—no more. It does not matter what the final cost is. It does not matter what technology is picked—ADSL2+, VDSL, VDSL2+; it does not matter. (Time expired)
Climate Change

Senator HOGG (2.34 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister please explain to the Senate how uncertainty about emissions trading will affect Australian business?

Senator CARR—I thank Senator Hogg for that question. The government is very concerned that playing cheap, short-term politics when it comes to climate change may end up being very expensive for Australian business, Australian workers and Australian families. Business needs a stable policy environment to make secure investments and provide secure jobs. That is why the government has made its intentions on climate change absolutely clear. It is essential that we give business and the community the certainty that they need. We have heard from Senator Abetz on this issue. We know that the climate change deniers opposite will never provide that certainty. The opposition environment spokesman says, for instance, that they will make up their minds on emissions trading ‘in due course’. So, I ask: what does it mean? What can that possibly mean? Does it mean in 11 years? That is how long it took for them to admit that climate change was in fact an issue. And Senator Minchin remains unconvinced on that point. Senator Johnston and the member for Tangney want to stall the introduction of the emissions trading scheme indefinitely—that is if the Australian of this morning can be believed—and they have clearly decided it is time for what they call a little ‘push-back’ on climate change. The whole question is being hijacked on the other side by the show ponies and the headline hunters.

Last week the opposition passed the government’s proposal to make capital expenditure on carbon sink forests tax-deductible. Senator Coonan was gracious enough to say, ‘We are pleased to support that measure.’

Senator Conroy—Really?

Senator CARR—Well, that is what she said last week. But last night it was a very different story, when we saw the improbable spectacle of Senator Heffernan and Senator Joyce joining with the Greens to oppose the very same measure their parties were pleased to support just a few days before. So the opposition is not flip-flopping on emissions trading because the circumstance has changed; it is flip-flopping because it is totally divided on this, as it is on so many issues. This is a recipe for killing investment, killing prosperity and killing jobs in this country. The introduction of an emissions trading scheme will be a truly momentous change, and it is essential that business has a well-defined pathway forward. The government is providing that pathway. We are consulting widely and taking on board what we have learned from Treasury modelling, from the Garnaut review, from business and from the community.

The government will soon release a green paper on the design of the emissions trading scheme. Our first budget included $2.3 billion for climate change initiatives. As well as the ETS, we are also looking at promoting investment in energy efficient technologies and green production processes. Senator Hogg would know that the previous government, towards the end of their reign, actually acknowledged that this was a good idea. But that was last year. This year, the now opposition oppose low emissions technologies such as the Toyota Camry hybrid. Business needs certainty to invest in retooling. It needs certainty to invest in research and development, and it needs certainty as to what the government will deliver. It is uncertainty that the opposition is peddling. (Time expired)
**Broadband**

**Senator FIFIELD** (2.39 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Is the minister aware that the Allphones company was recently found by the Federal Court to have engaged in calculated dishonesty and continuing deceit and continues to be the subject of ACCC investigations for alleged breaches of the Trade Practices Act? Allphones chairman, Mr Tony Mitchell, is a hand-picked member of Labor’s National Broadband Network ‘experts panel’. Minister, does Mr Mitchell retain your confidence?

**Senator CONROY**—As I have stated on a number of occasions, Mr Mitchell has not been named and has not been included in any of the ACCC’s investigations. As such, he will continue to provide excellent advice and information to the expert panel in its work.

**Senator FIFIELD**—Mr President, I ask a supplementary question. Given the following headlines: ‘Broadband panel must distance from Allphones’, ‘Judge slams Allphones over fees’, ‘ACCC case link to ALP adviser’, ‘Allphones kingpin caught in ACCC rift’ and ‘Panel member’s company accused of misleading conduct by ACCC’, why doesn’t the minister take decisive action to restore the credibility of the expert panel and stand down Mr Mitchell?

**Senator CONROY**—This information has been in the public domain for some two or three months. At no stage has the opposition spokesman called for Mr Mitchell to resign. If that is what you are now suggesting, then you should have the courage to say it. I repeat: Mr Mitchell has not been named and has not been included in the ACCC—

**Senator Fifield**—So he has your confidence?

**Senator CONROY**—Yes. I have said that before. He has not been named or included in the ACCC’s investigation.

**DISTINGUISHED VISITORS**

**The PRESIDENT**—Order! I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from the National Assembly Standing Committee of the Socialist Republic of Vietnam, led by Mr Tran MP. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

**Honourable senators**—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Child Care**

**Senator ALLISON** (2.41 pm)—My question is to the Minister representing the Prime Minister. Minister, in 2006 Labor made a commitment to building 260 new long day care centres in areas of need—25,000 places, 100 places per centre. Why then did the budget provide for only 38 early learning and childcare centres, with an average of 50 places per centre and, therefore, a maximum of 1,900 childcare places? Can the minister explain why the Rudd government’s childcare policy is now essentially the same as the previous government’s, which proposed 35 childcare centres? Can the minister explain what has happened to the missing 222 centres and the 22,000 places that should have been in that budget?

**Senator CHRIS EVANS**—I thank Senator Allison for the question. The government is investing more than $2.4 billion over the next four years in comprehensive early childhood reforms to improve the quality, affordability and supply of child care for Australian parents. It is a very central part of the government’s agenda. We have made enormous commitments in this budget to progressing that agenda not just strictly in the childcare area but in the early education
area, which is also very much part of the strategy for Indigenous children to ensure that they get the best start in life and have opportunities for both child care and early education in preparation for formal education. It is not only my experience but it is supported by research that Indigenous children start off at a disadvantage when they enter primary school because of the lack of support and access to learning environments before they start school.

In answer to the specific question, we have honoured our commitment to establishing up to 260 additional childcare centres across Australia by 2014. The first instalment of that was in the budget. As you quite correctly pointed out, we have made a huge first step in meeting that commitment but we have not claimed that we will get those 260 additional childcare centres by the end of the first financial year of our government. What we have said is that we are going to have a very large program of providing additional childcare centres.

We are very focused on ensuring that in areas of need we are able to build new child care capacity. As we all know, though, the childcare industry is part of a market, and large parts of the demand for places come from the provision of services and centres by private providers. But we are committed to establishing the 260 additional childcare centres by the end of the first financial year of our government. What we have said is that we are going to have a very large program of providing additional childcare centres.

We are very focused on ensuring that in areas of need we are able to build new childcare capacity. As we all know, though, the childcare industry is part of a market, and large parts of the demand for places come from the provision of services and centres by private providers. But we are committed to establishing the 260 additional childcare centres by the end of the first financial year of our government. What we have said is that we are going to have a very large program of providing additional childcare centres.

The other major aspect of the government’s childcare agenda, as Senator Allison would know, is that we are increasing the childcare tax rebate from 30 per cent to 50 per cent of out-of-pocket expenses up to a limit of $7,500. This is not income tested and can now be paid quarterly, so from 1 July we will have not only a commitment to providing more places but also a very serious increase in the rebate paid for out-of-pocket expenses. (Time expired)

Senator ALLISON—Mr President, I ask a supplementary question. I thank the minister for his answer, but I would like clarification. I think the minister was suggesting that by 2012, which is a period of five years, we will have 38 new childcare centres. This means that in the two years after 2012 the government will have to provide 222 childcare centres in just a two-year period. Is that what the minister is saying? If so, why is it that it is possible to build 222 in a period of two years when we are going to take four years to build a mere 38?

Senator CHRIS EVANS—Thank you for the supplementary question. I am a bit baffled by the question.

Senator Kemp—It is not the first time.

Senator CHRIS EVANS—It may not be the first time and I suspect that it will not be the last either, but I am trying to be helpful to the senator. The answer is that we committed to 260 additional childcare centres. They will be implemented over the period to 2014, as we said. The decision taken in this year’s—the first—budget was to provide the down...
payment on the first step in that process. That will be rolled out over future budgets. I will see what further information I can get for the senator in terms of how many are built per year, but clearly this is a huge capital investment—a large number of centres—and it will be introduced over the period of those years up to 2014. If I can provide any further information on how many get built each year to satisfy the senator’s supplementary question, I will get back to her. (Time expired)

Broadband

Senator CORMANN (2.48 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Is it not the case that Australian families will have to pay between $897 million and $1.4 billion every year to access high-speed broadband services under Labor’s broadband network?

Senator CONROY—I am not sure what figures those calculations are based on at all. I have not heard them before and they certainly have not been touted around publicly. So I would have to say to you that the pricing of the national broadband network is a critical part of the negotiations going on in the request for proposals at the moment. I am sure that every member opposite would understand that I have no intention of speculating on what the pricing should be. But if you, in your supplementary question, would like to explain the basis of those calculations, I am sure the chamber would be enlightened.

Senator CORMANN—Mr President, I ask a supplementary question. I note the minister’s answer. Has the government done any modelling on this at all? If not, is this not just another example of Labor making policy without any of the necessary evidence?

Senator CONROY—As I said, if you could enlighten the chamber as to the basis of those figures, they would perhaps mean something. I repeat: we are in the middle of a live negotiation to deliver both the structure and the cost of the national broadband network, which goes to the issue of the wholesale price. They are the key issues.

Senator CORMANN—So you do not know how much they have to pay.

Senator CONROY—I am sure that even you have not revealed your negotiating position before you started negotiations with any of your colleagues.

The PRESIDENT—Order! Senator Conroy, please address your remarks through the chair.

Senator CONROY—My apologies. I accept your admonishments. I am sure that the good senator opposite would not sit down in a negotiation with any of his friends or colleagues in the Western Australian Liberal Party and say, ‘Here’s my bottom line; let’s start the negotiations.’ I am sure that even he would not do that. The Rudd government has no intention of revealing its views on a range of these issues prior to the conclusion of the negotiations. (Time expired)

Budget

Senator POLLEY (2.51 pm)—My question is to the Minister representing the Prime Minister, Senator Evans. Can the minister outline to the Senate the impact of the delays of key budget measures on the surplus and the Australian economy?

Senator CHRIS EVANS—I thank Senator Polley for her question, because it is a very important question. During the election campaign, the Labor Party made it clear that we would deliver on our election promises and we would also be fiscally conservative in our approach to the management of the economy. What we have tried to do in delivering our first budget is to deliver on all those promises that we made to the Austra-
lian community, and it is interesting that they are really noticing the difference in approach.

As from 1 July, the tax cuts we promised will be delivered. As from 1 July, the increase in the childcare rebate will be delivered and the education rebate we offered to parents will be delivered. All the measures we promised will be delivered as part of our budget. As part of our approach, we made the decision that we needed to show fiscal responsibility. So we funded all our new spending commitments by savings and revenue measures. We made that very clear. That allowed us—

Senator Minchin interjecting—

Senator CHRIS EVANS—Senator Minchin, you may have abandoned all economic responsibility, or maybe it is that you do not have the numbers in the party, but I am very disappointed in you ruining your reputation in this way. The Labor government have delivered a $22 billion surplus—a record-size surplus—to assist us in putting downward pressure on inflation and downward pressure on interest rates to support working families, those on fixed incomes and the community generally to fight the terrible impact that inflation has on people’s standard of living. So we are delivering the tax cuts and the benefits that we committed to, but we are also trying to deliver the general economic context which will allow us to fight inflation by maintaining a huge budget surplus.

The opposition seem not to accept the result of the last election and they seem unable to form a position on any of the key issues. They have had six weeks to digest, analyse and consult on the budget. What we have seen in the last week or two is the opposition’s attempt to hide behind Senate process—to say that they need more time to consider measures. It is interesting that they started out on a range of measures but, as that got uncomfortable, they abandoned those. So their positions on the baby bonus and family tax benefit B disappeared. So what are they left with? They are left with key issues like arguing against those people who want to purchase a luxury car paying increased taxation. That is where their priorities are. They are getting out there to ensure that people who want to buy a luxury car are not taxed as much as the government says they should be. That is their point of principle with this budget: defending the luxury car tax; defending people against paying the luxury car tax. The other thing they are really strong on is preventing us from closing the loophole whereby major oil companies get an exemption from paying the excise on condensate. So they are keen to defend major oil companies from paying tax.

So we have the Liberal opposition now with two points of principle left that are going to cost taxpayers $282 million. We are going to do $282 million cold while they look at these issues. It is not that they said they are going to oppose these things; they just need more time to think about them—at a cost to Australian taxpayers of $282 million. Because they are so weak, so ill-disciplined, so confused and so lost, they cannot find a position. They are a party in search of a position. That is going to cost Australian taxpayers $282 million.

Environment

Senator IAN MACDONALD (2.56 pm)—My question is to the Minister representing the Minister for the Environment, Heritage and the Arts, Senator Wong. I ask if the minister can assure the Senate that it is a fact that the government has, without any notice, listed on its website details of the $25 million for ‘contestable’ grants under the Caring for our Country initiative. Is it a fact that this $25 million is meant to compensate
for the more than $120 million that was ripped off natural resource management bodies by the Labor Party’s axing of the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality? I also ask the minister: is it true that agencies like the CSIRO, state governments and local councils can now apply for these funds, which were previously solely set aside for local natural resource management groups?

Senator WONG—In terms of Caring for our Country arrangements, I can advise the Senate that, starting next month, Caring for our Country will refocus our natural resource investment in line with what was indicated earlier by Ministers Burke and Garrett and consistent with the approach that the government took prior to the election last year. It is the case that regional groups and others will continue to be supported and partnerships with the states and territories will be maintained. In its first five years, over $636 million will be provided as secure baseline funding for regional NRM organisations and additional funding of up to $75 million will be available to help overcome transitional problems.

I indicate to the Senate that this program largely maintains the previous government’s funding commitments over five years. What is interesting is the approach the opposition are taking—again attempting to make a political attack on this issue. What they fail to mention, of course, is that the opposition in government did not intend to fund the National Action Plan for Salinity and Water Quality beyond June of this year. The Commonwealth government is currently working closely with the states to ensure that the necessary state arrangements for funding to regions will be in place in July 2008. In 2008-09 regional investment activities will begin in July, providing further employment opportunities. Regions and others can seek funding for any staffing positions they need to help them to contribute to Caring for our Country priorities. A range of more targeted funding opportunities will be available, such as Community Coastcare, which opened on 19 May, and a further round of open grants for 2008-09 of up to $25 million, which was announced on 21 June. In addition, a range of critical transitional projects have been considered by ministers. Where projects were not successful under that process, these organisations may wish to apply under the open grants, which is a competitive process.

Senator IAN MACDONALD—Mr President, I ask a supplementary question. This minister seems quite incapable of answering any question, so I repeat: firstly, is the $25 million announced just last week to compensate for the $120 million that was cut from the previous programs of the coalition? Secondly, is it also true that the government has allowed only one month for applicants to apply for these contestable grants? Thirdly, now that the minister has had a couple of weeks to look at this, could she tell us exactly how many jobs have been lost in rural and regional Australia by the Labor government’s cutback of funding to natural resource management groups?

Senator WONG—Isn’t it interesting that the opposition are pressing on this issue when they, when in government, did not intend to fund the National Action Plan for Salinity and Water Quality beyond the end of June? They have no answer to that. They have no answer to the fact that, under their watch, that plan was not to be refunded be-
yond the end of June. As I have said, Minis-
ter Garrett and Minister Burke announced on
21 June a public call for open grants, total-
ing $25 million. That was announced on
Saturday, 21 June. As I have indicated, non-
government organisations will be able to bid
for funding through this process. As I said,
the assessment of these projects will obvi-
ously reflect the six national priorities under
Caring for our Country, which Ministers
Garrett and Burke have announced: a na-
tional reserve system, biodiversity and natu-
ral icons, coastal environments and critical
aquatic habitats, sustainable farm practices,
natural resource management in remote and
Northern Australia and community skills.
(Time expired)

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Zimbabwe

Senator FAULKNER (New South
Wales—Special Minister of State and Cabi-
net Secretary) (3.02 pm)—Mr President, I
seek leave to incorporate some additional
information in relation to a question and a
supplementary question from Senator
Murray on Zimbabwe asked in question time
yesterday.

Leave granted.
The answer read as follows—

Additional response from Senator Faulkner to a
question from Senator Andrew Murray on Zim-
babwe asked in Senate Question time on 24 June.

Senator Murray asked: Are there any changes to
Australian legislation or policy being contem-
plated by the government to implement ‘respon-
sibility to protect’ measures and principles? If
there are not, will the government undertake to
have a look at them and report back to the Senate
in due course as to whether they do intend to im-
plement changes to Australian legislation or pol-
icy?
The responsibility to protect principle is an
emerging legal concept focused on a state’s re-
sponsibility to protect its citizens from genocide,
war crimes, ethnic cleansing or crimes against
humanity.

It is at this stage an emerging doctrine, and one
that Australia supports, however non-consensual
action invoking the responsibility to protect prin-
ciple requires UN Security Council authorisation.

When the Prime Minister met with UN Secretary-
general Ban Ki-moon in New York in March this
year he announced a $5 million package of sup-
port for conflict prevention, including support for
the Global Centre for the Responsibility to Pro-
tect principle.

The Government is considering what further
measures it might take to assist in the develop-
ment and implementation of the doctrine.

Murray-Darling River System

Senator WONG (South Australia—
Minister for Climate Change and Water)
(3.02 pm)—Mr President, I have a response
to a question by Senator Siewert asked of me
yesterday in relation to protection for the
Coorong under the EPBC Act. I will briefly
provide that information, through you, Mr
President. As I previously said, the govern-
ment is committed to addressing this serious
situation facing the Coorong and Lower
Lakes, including through providing $6 mil-
lion in funding to pump water from Lake
Alexandrina to Lake Albert to manage acidifi-
cation risks. The Coorong and Lower Lakes
already receive protection under the EPBC
Act as listed Ramsar wetlands. The Aus-
tralian government has received a nomination
for the Coorong and Lower Lakes to be
listed as a threatened ecological community
under the EPBC Act. The independent
Threatened Species Scientific Committee is
considering this nomination. As the Senate
may be aware, this is an expert panel that
advises the minister on whether applications
should be subject to a full assessment for
listing as ecological communities under the act. This committee undertakes a scientific assessment of all nominations against its criteria before making recommendations to the minister. That is the additional information I have obtained.

PERSONAL EXPLANATIONS

Senator Chapman (South Australia) (3.04 pm)—Mr President, I seek leave to make a personal explanation regarding misrepresentation.

The President—Senator Chapman, I understand the procedure normally is that, if you claim to have been misrepresented, it takes place at the conclusion of taking note of answers. The government have indicated they will give you leave at that stage.

Senator Ian Macdonald—Mr President, I raise a point of order. Is leave required on that issue? Senator Faulkner always used to take this point when he was in opposition because he wanted to get straight on with the great attacks on the then government. However, I am sure that we on this side would not object to Senator Chapman doing it now.

Senator Faulkner—Mr President, on a point of order: there is great virtue in consistency of process and procedures and, just because we find ourselves on different sides of the chamber, we should be consistent.

The President—Senator Faulkner, I intend to be consistent. Senator Chapman does have to seek leave to claim he was misrepresented and the normal procedure is that that takes place after the taking note of answers.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Broadband

Senator Birmingham (South Australia) (3.05 pm)—I move:

That the Senate take note of the answers given by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to questions without notice asked by Senators Ronaldson, Birmingham and Cormann today relating to the national broadband network.

Today we have seen that the revolution is well and truly off the rails. The new government came to power saying they were going to bring a revolution, saying they wanted a revolution—to take that great line from the Beatles. They promised us a digital revolution; they promised us an education revolution. Last week Senator Wong promised us a DER, a digital education revolution. We have a whole range of new acronyms for the revolutions. But we have learnt today, as we have over a period of weeks and months, from Senator Conroy that, in particular, the digital revolution is off the rails. The national broadband network is not going to deliver what Labor promised in the way they promised.

It is worth rolling back—another of those great Labor phrases—to March last year to consider what it was the then Labor opposition were promising. With much fanfare Mr Rudd and Senator Conroy announced the new national broadband network. They announced $4.7 billion in funding, a figure plucked from a Telstra briefing paper. They announced that plan and it was going to be a fifty-fifty equity arrangement with the successful bidder. It was going to be using fibre-to-the-node technology. Construction was going to begin by the end of this year. It was going to have a successful tenderer chosen by about the middle of this year. And it was going to provide increased access to some 98 per cent of the population and do so at lower prices.

These were all the grand promises, and it sounded like the plan was well developed. It sounded like there was a plan and it sounded like the government had some idea of what it was seeking to achieve. But as time has gone on, the parameters on nearly all of these lev-
els have changed. Nearly all of them have changed. The timing has slipped out considerably. The government said initially it would look to close tenders some time in the middle of this year and make a decision in time for construction to begin by the end of this year. Here we are at the end of June, at the halfway point of the year, and the starting time on the tender process has not even begun. It has not even begun, because Minister Conroy realised he had to provide some basic information to try to make this a somewhat fairer playing field. He had to provide some basic information to the potential bidders. So he pushed some legislation through this place, to which the opposition acquiesced and allowed to go through in a timely manner to fit with the minister’s timetable.

But then what? We are still waiting. The minister says he will give potential bidders 12 weeks from the provision of all information to get their bids in. So there will be a 12-week closing date from when all the information is provided. But the information has still not been provided, Minister. It has not been provided by the minister. We have to ask why. Why is it taking so long? Why can the minister not meet the timelines that he set in opposition and is now failing to meet time and time again. The reality is that the likelihood of construction commencing on the national broadband network, as promised by the minister and Mr Rudd, by the end of this year is now virtually zero. It would be worth if the minister could come into this place and fess up to it—fess up to the fact that their time line is not going to be met.

We look at the ownership structure. It was black and white. It was going to be a fifty-fifty equity arrangement. Now it is open to all types of arrangements. It could still be equity. The minister says that is preferred, but he has opened it up to a range of other equations, recognising that the cost could be as high as $25 billion. So the $4.7 billion only gives you about 18 per cent equity in that equation. It does not even get you close. The cost is way out, the structure is way out. The technology was black and white. It was going to be fibre-to-the-node technology when the minister, as the shadow spokesman, announced it last year. Now, once again, we are open to all manner of technological outcomes. The minister today, once again, confirmed from the request for tender proposal that he was open to all manner of options in this. It shows the government have no idea where they are going on this. They are changing policy on the run. They should be ashamed, and the minister should fess up to it. (Time expired)

Senator WEBBER (Western Australia) (3.10 pm)—I do not know what those opposite do not understand about this. Unlike you, we have one plan to deliver a nationwide broadband network to 98 per cent of Australia. What is so difficult? Unlike you, we have one plan, not 18 failed plans. We have one comprehensive, thoughtful plan. Some aspects of that plan should seem quite familiar to you, because they were presented to your government and you failed to make a decision. Out of 18 failed plans, not one bit was implemented, not one comprehensive decision was made and you wonder why Australia is in the mess that it is in.

We lag behind when it comes to broadband access. It is an international disgrace. When people visit this country they do not understand why connection speeds are so slow, why access is so restricted and why it costs so much. We are way behind the eight ball on each of those three conditions and that happened on your watch. It happened absolutely on your watch. Since this government was elected on 24 November, we have worked to implement our plan. On 11 April we released the request for tender. You want to discuss cost; you want to discuss all
sorts of things. I do not know of any commercial reality where we talk about how much something is going to cost before the contract has been signed and before the decision has been taken. Maybe you live in a different reality when it comes to those issues. I do not know.

We have put a document out there. We are appealing for as wide an interest as we possibly can, because this is a very important piece of infrastructure. This will be one of the most important pieces of infrastructure delivered to the Australian economy for quite some time. Not only will it move the Australian economy into the modern age, not only will it move our education services into the modern age, not only will it mean that 98 per cent of our population can communicate with one another using digital equipment; it will actually increase productivity and will allow more people to work in varied ways and re-enter or enter the workforce. What is wrong with that? All you can do is knock. You had 11½ long years, more than one plan per year, and you did nothing. In 11½ years you had 18 plans. That is not a legacy that you should be proud of. We have had six months and have one plan, and we are working very hard on delivering that one visionary plan to 98 per cent of the population. You cannot have it both ways. You either get with the program, you get with the forward vision and you work with us and move forward or you accept the legacy and the mess that you left.

You are not prepared to discuss what you did for 11½ long years. All you want to do is come in here and pick holes in a process. That is all you ever want to do these days. It is what has been happening with the budget bills. It is what has happened with almost every piece of legislation in the last few weeks. We do not look back at the 11½ years that got Australia to this point; instead, what you do is you say: ‘That’s all well and good. We’re not going to talk about our contribution to the mess that broadband access is in or the mess that other issues are in.’ You created a number of the issues that we have to legislate to address in this fortnight. But we have one visionary plan, one plan that the government is going to work with the private sector to deliver, so 98 per cent of Australians can access modern, high-speed broadband. That is a plan that we should all be proud of. I know my community, Western Australia, is proud of it.

Under your old regime, parts of the Western Australian wheat belt could not access anything. This plan will move our entire economy and our entire nation into the future. It will allow kids in the bush to access modern education and the most recent information and to have the same standard of teaching and learning as those in the city have. This system will allow for more-flexible working conditions, for women to re-enter the workforce, for people to work from home and for people to be more productive and work around the clock to marry up their work ambitions with their family responsibilities. This plan is actually going to deliver for everyone. *(Time expired)*

**Senator IAN MACDONALD** (Queensland) *(3.16 pm)—*One part of the responses to questions today by the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, was absolutely accurate. That is when he said, ‘We are a joke.’ Senator Conroy and, indeed, the whole of the current government are a joke—and, regarding this matter, many Australians now regret having laughed prior to the election.

Mr Deputy President, you will recall that the Labor Party promised to reduce grocery prices; you will recall that they promised to reduce petrol prices; yet we have grocery prices going through the roof and petrol prices at their highest level ever. In the telecommunications area, we were promised that
construction of the new broadband network would commence by the end of 2008 and be finished by 2012. No serious commentator, no serious involvee in the broadband industry accepts or appreciates that this can possibly happen.

Labor made a promise; it gave a commitment that the $4.7 billion would be used for a fifty-fifty equity partnership. Those of us who were in the Senate last year will remember how Senator Conroy seemed fixated on the phrase ‘fibre to the node’. What do we find, after the Labor Party has been in power for seven months? All of those promises, like all of their other promises, are thrown out the door. As Senator Birmingham rightly says: according to the Labor Party, the technology these days does not matter anymore. We got quite sick of Senator Conroy, before the election, mouthing about fibre to the node. We suspected that he had no idea what it meant, but it sounded good. It was continually spoken about. Today the Labor Party seems to have gone right off that proposal and is asking to have a look at any proposals that might be put forward by possible bidders.

There is the fifty-fifty equity. As Senator Birmingham very cleverly pointed out in his question to the minister: if it is to be a fifty-fifty partnership, the $4.7 billion of the government’s half share means that the total cost will be no more than $9.4 billion. Even the most conservative commentator or the most conservative insider can now say that there is no prospect of the broadband highway being completed in the time stated and at a cost anywhere near that proposed.

Senator Conroy should now apologise for misleading the Australian public before the election and should admit to the timetable. He clearly knows that the dates he is now giving are impossible to achieve. It would be better for Senator Conroy at this early stage to concede that what he said in this regard before the election was just rhetoric and to give the Australian public some idea of when we might expect a decent broadband service in Australia.

The former minister, Senator Coonan, had a very definitive plan. She had done a great deal of work in forwarding a proposal that would have brought broadband and urgent immediate telecommunications to all parts of Australia. As someone who comes from a rural and regional area, I was delighted that the former government had set money aside and had a plan that would have got decent high-speed broadband to all parts of Australia.

The Labor Party are still in never-never land. They have no real idea of when the broadband network might be started, let alone finished. That means that those of us in rural and regional Australia, in particular, will be left to the mercies of the Labor Party, as we were all those years ago when the Labor government shut off the analog network without any replacement program in mind. You cannot trust the Labor Party with money; neither can you trust them with telecommunications.

Senator MARK BISHOP (Western Australia) (3.21 pm)—Mr Deputy President, if you think about every significant advance in material welfare or material benefits over the last 200 years, particularly in the context of Western history, you will note that it has been accompanied by two developments: first, a quantum shift in the ability to shift people and package and, second, a quantum shift in the ability to communicate. Just think through the advances that have occurred over the last 200 years: steamships, canals, rail, telegraph, radio and TV, and internet and broadband. Each has been accompanied by or has caused a material shift in economic welfare across—and without any exception—all Western nations.
That is why, in this context of a shift to a new system of broadband, a new system of internet communication, it is absolutely critical that it be gotten right and that it be developed and implemented as a matter of absolute priority. If we take a couple of our major trading nations, we know that in the United States, for example, already 50 per cent of their population, 50 per cent of all homes and businesses, have broadband high-speed communication. In South Korea, a critical major trading partner of this country, the hit rate is currently 98 per cent. Within four years the United States will shift from 50 per cent to 75 per cent of their population having ready access to high-speed broadband communication. Yet, when we turn to Australia, the figures are still, depending on the region, around 10, 20, 25 or 28 per cent of the population having access to high-speed broadband communication, with all of the associated delays and disadvantages that go with a system developed many, many years ago.

So as we come to see what can be done about that we consider two things. We consider the immediate past and the progress that was made then and we consider the immediate future. As previous speakers in this debate have indicated, the previous government, in power for almost 12 long years, developed but did not proceed with 18 sequential and consecutive individual plans for the implementation of broadband around Australia, and each of them was found wanting, was found to be full of pitfalls and shortcomings and could not be proceeded with. As a consequence, there was no ready spread of broadband technologies and the like around this country.

All through last year, the Australian Labor Party in opposition highlighted the need for a broadband policy, the need for government involvement or regulation, the need for a new system. Why? So that we could join the rest of the world, the rest of our major trading nations, and get into the new world of high-speed communication whereby individuals and businesses can create and transfer wealth and develop things that are necessary to go forward for the next 25 years. The then opposition developed a plan to commit up to $4.7 billion of investments, along with associated equity partners, to develop and implement a plan for the spread of broadband technologies across this entire continent, with the net result at the outset sought to be that something like 98 per cent of the population would be covered and would have ready access to readily available broadband technologies—all capital cities, all major regions, 98 per cent of the population. We took that policy and explained it and sold it to the Australian people. What did they do? They said yes.

The Australian Labor Party has a plan for the future. It is going to give us broadband. It is going to give us a way forward whereby we can develop communications and communication skills so we can invest in and expand our businesses, sell more and receive more. The government received advice on the necessity for that policy. The Australian people accepted the argument and said yes. The government’s policy to have an Australia-wide broadband rollout, an Australia-wide broadband layout is the way forward.

(Time expired)

Senator CORMANN (Western Australia) (3.26 pm)—I also rise to take note of the answers by the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. We had a plan, a plan to ensure access to fast and affordable broadband to 99 per cent of the Australian population—99 per cent of Australian households and small businesses—by the end of 2009. We had a plan to extend fast and affordable broadband to regional Australia. Labor has scuttled that plan. Labor will replace that plan with a vague, citycentric promise of a
national broadband network, which will cost Australians an arm and a leg—not just the $4.7 billion that is in Labor’s policy but between $897 million and $1.4 billion in additional costs to be incurred by Australian families.

Senator Mark Bishop interjecting—

The DEPUTY PRESIDENT—Senator Bishop, you have had your go. Senator Cormann is entitled to be heard in silence.

Senator CORMANN—Our plan, with a $958 million investment, would have delivered better broadband coverage to almost 900,000 people across Australia. But we have a minister who, after Labor won government, was desperate; he was itching to give the OPEL contract the chop. He could not wait. He was desperate to come up with an excuse and of course he got the advice that he wanted and he chopped the contract that would have delivered better services to people right across rural and regional Western Australia—and I can see why Senator Bishop would be leaving the chamber after interjecting as violently as he did, because he cannot handle the truth when it comes to the impact of the decision by this government on people in rural and regional Western Australia.

It was a cruel blow to rural and regional Western Australia indeed. We now get this constant song, this lazy song from the government that is already starting to become arrogant, that we did not do anything over 12 years, that we did not do a thing about broadband. I can tell you this: between 1996 and 2007 we invested $4.1 billion in better broadband technology and better broadband services. But of course that technology has significantly evolved over those 12 years. Through you, Mr Deputy President, I would remind Senator Ruth Webber that that is exactly what has been happening over the last 12 years, that there has been significant change. We had a plan prior to the last election to bring faster broadband services to 99 per cent of the Australian population. Of course now, under Labor’s vague, citycentric plan, people in regional WA will have to wait until at least 2014 to get access to what will be, even then, less reliable services.

I asked the Minister for Broadband, Communications and the Digital Economy whether Australian families would have to pay between $897 million and $1.4 billion more a year to access high-speed broadband services under Labor’s broadband network, and he looked at me blankly. He did not know what I was talking about. He said, ‘Can you perhaps explain to me what you are talking about?’ Well, I draw his attention to the study by the Centre for International Economics, with offices in Canberra and Sydney, which released the report in June 2008 *The Telstra return on a national FTTN network: community impacts*. We clearly have a minister that is not on top of his portfolio. When I asked him a very simple question—‘How much is this going to cost Australian families every year?’—he was not able to answer. I urge the minister to have a close look at the Herald Sun article of 5 June, which states:

Consumers and the economy would be $897 million worse off if Telstra builds a national broadband network, according to an economic report.

If the network was to cost $15 billion, a figure used recently by Telstra boss Sol Trujillo, Australians would pay an additional $1.4 billion a year for broadband services.

So there it is in black and white. The minister today, being asked a question, did not even know what I was talking about. This is clearly right at the heart of his portfolio responsibilities. He could not wait to scuttle a plan that would have delivered faster broadband to 99 per cent of the Australian
population. He could not wait to tear up the contract that delivered a solid and credible plan to replace it with something that is going to cost taxpayers $4.7 billion to start off with. We do not even know whether it is going to deliver what the government intend it to deliver, because they said, ‘Whatever else it costs, our commitment is limited to $4.7 billion.’ Whether it is $15 billion or $25 billion, they have no idea. I got the impression that the government had not done any serious modelling to assess the impact on Australian families to assess whether their plan had any financial or fiscal credibility in terms of actually implementing it. The study by the Centre for International Economics actually tells us that consumers—Australian families, Australian working families—will be between $897 million—(Time expired)

Question agreed to.

PERSONAL EXPLANATIONS

Senator CHAPMAN (South Australia) (3.32 pm)—I seek leave to make a personal explanation as I claim to have been misrepresented.

Leave granted.

Senator CHAPMAN—In question time, I asked a question and a supplementary question to the Minister for Climate Change and Water, Senator Wong. In asking the supplementary question, I referred to comments by the minister on 6 June that the emissions-trading scheme will have ‘maximal coverage’. In her answer, the minister took issue with that and claimed that I was in error and that this statement had been made on 6 February. I refer to a speech by the minister at the CEDA State of the Nation conference in Canberra on Friday, 6 June 2008, in which the minister said, among other things:

However, I have made it clear that in designing the ETS, the Government is applying certain principles. To summarise, it will—

and there are about half-a-dozen principles listed, one of which is—

• have maximal coverage of greenhouse gases and sectors to the extent that is practical …

Quite clearly, the minister made a false accusation against me and misrepresented my question.

ELECTION COMMITMENTS

Return to Order

Senator BERNARDI (South Australia) (3.33 pm)—I seek leave to take note of documents tabled by Senator Faulkner relating to the government’s election commitments that amount to the largest ever pork-barrelling in the history of this country and to the sports rorts cover-up that the Minister for Sport finds herself embroiled in.

Leave not granted.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (3.34 pm)—by leave—I know the senator is interested in progressing this matter. If he delays the matter we may be able to deal with it tomorrow. I say that because we have a very tight legislative program. We need to finalise the legislation and references that we are currently dealing with. We have a cut-off today of 5.30 pm for valedictories, which makes this a very short Wednesday. So I ask the senator’s indulgence so that we can manage the program and finish the work that we have set.

Senator ELLISON (Western Australia) (3.35 pm)—by leave—We have no desire to mess around with the government’s legislative agenda and we realise the time constraints. But Senator Bernardi has an issue which we believe would take no more than 20 minutes in total, with 10 minutes either side for debate in relation to a return to order and taking note. If time can be arranged at some time later in the day today or tomorrow, that would be agreeable. But we will proceed with a suspension of standing orders
if we cannot agree to go away and discuss a time where we can squeeze it in. We are willing to limit the time, but if we can insert it somewhere that would be good.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (3.36 pm)—by leave—It would be helpful if we could actually just go away and work this out so that we are not actually debating it on the floor, because this is also drawing time away from the work of the Senate. With these matters, I understand that it is always helpful for senators—though not always possible, I understand—to organise with the whips so that the whips can schedule these types of debates, particularly at this time when we are drawing close to the winter recess and time is of the essence. I request the senator take cognisance of the fact that there is very limited time today. There are debates that still have to be had. We have a time critical element of 5.30 pm for valedictories. I am sure the whips can organise between themselves a way to accommodate Senator Bernardi.

NOTICES

Presentation

Senator Marshall 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 20 March 2009:

Developing Australia’s capacity in the area of climate change, with particular reference to:

(a) the ability of universities and other research and training institutions to meet current and future demand for climate change professionals; and

(b) measures to assist understanding of climate change in the Asia-Pacific region, including provision of training and skills assistance.

Senator Crossin to move on the next day of sitting:

That the following matter be referred to the Legal and Constitutional Affairs Committee for inquiry and report:

The effectiveness of the Commonwealth Sex Discrimination Act 1984 in eliminating discrimination and promoting gender equality, with particular reference to:

(a) the scope of the Act, and the manner in which key terms and concepts are defined;

(b) the extent to which the Act implements the non-discrimination obligations of the Convention of the Elimination of All Forms of Discrimination against Women and the International Labour Organization or under other international instruments, including the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;

(c) the powers and capacity of the Human Rights and Equal Opportunity Commission and the Sex Discrimination Commissioner, particularly in initiating inquiries into systemic discrimination and to monitor progress towards equality;

(d) consistency of the Act with other Commonwealth and state and territory discrimination legislation, including options for harmonisation;

(e) significant judicial rulings on the interpretation of the Act and their consequences;

(f) impact on state and territory laws;

(g) preventing discrimination, including by educative means;

(h) providing effective remedies, including by educative means;

(i) addressing discrimination on the ground of family responsibilities;

(j) impact on the economy, productivity and employment (including recruitment processes);

(k) sexual harassment;
(i) effectiveness in addressing intersecting forms of discrimination;
(m) any procedural or technical issues;
(n) scope of existing exemptions; and
(o) other matters relating and incidental to the Act.
Senator Allison to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) Australia is the only country, apart from the United States of America, to have introduced a global gag rule in its aid program through the AusAID family planning guidelines that restricts contraception options and prohibits the use of aid funding for anything related to abortion, such as training of medical personnel in safe abortion, or providing information or warnings about unsafe abortion,
(ii) in most countries in receipt of Australia’s aid, abortion has no legal restriction or is restricted only in certain circumstances,
(iii) 68,000 women worldwide die every year from unsafe abortions, nearly all of them in developing countries,
(iv) approximately a quarter of women who have undergone an unsafe abortion will be hospitalised due to serious complications such as haemorrhage, infection or poisoning,
(v) Australia’s family planning guidelines contribute to these hospitalisations and deaths and are at odds with the international Conference on Population and Development 1994 (ICPD) which states ‘in circumstances where abortion is not against the law, health systems should train and equip health service providers and should take other measures to ensure that such abortion is safe and accessible’ and the Convention on the Elimination of All Forms of Discrimination against Women 1979 (CEDAW),
(vi) the family planning guidelines have coincided with and are partly responsible for a massive decline in Australian funding for family planning in a time when, according to the United Nations (UN) Fund for Population Activities, the unmet need has grown from 10 per cent to 60 per cent, and
(b) urges the Government to now withdraw these repressive family planning guidelines and, in line with other countries, adopt World Health Organization and ICPD principles and practices to guide their reproductive health aid programs.
Senator Siewert to move on the next day of sitting:
That—
(a) the Senate notes the significant natural resource management and conservation challenges faced by Australia; and
(b) the following matters be referred to the Rural and Regional Affairs and Transport Committee for inquiry and report by 27 November 2008:
(i) the lessons learned from the successes and failures of three decades of Commonwealth investment in resource management including Landcare, the National Heritage Trust, the National Action Plan for Salinity and Water Quality, and other national programs,
(ii) how we can best build on the knowledge and experience gained from these programs to capitalise on existing networks and projects, and maintain commitment and momentum among land-holders,
(iii) the overall costs and benefits of a regional approach to planning and management of Australia’s catchments, coasts and other natural resources,

(iv) the need for a long-term strategic approach to natural resource management (NRM) at the national level,

(v) the capacity of regional NRM groups, catchment management organisations and other national conservation networks to engage land managers, resource users and the wider community to deliver on-the-ground NRM outcomes as a result of the recent changes to funding arrangements under the new Caring for our Country program, and

(vi) the extent to which the Caring for our Country program represents a comprehensive approach to meeting Australia’s future NRM needs.

Senator Siewert to move on the next day of sitting:

That the Senate—

(a) expresses concern for the plight of two Japanese Greenpeace activists who are to be held another 10 days without charge by Japanese police for their role in exposing the embezzlement of thousands of dollars worth of whale meat from the Japanese Government-sponsored whaling program;

(b) notes that no charges have been laid relating to the embezzlement of whale meat, and that the Japanese Public Prosecutor has subsequently dropped his investigation into the involvement of the crew and whaling officials in this illegal trade;

(c) expresses concern that the response of Japanese authorities in sending 40 police officers to raid the Greenpeace offices and seize all computers and financial records is a disproportionate reaction to this matter, which raises concerns that this is a politically-motivated action designed to shut down the successful Greenpeace public education campaign within Japan at the time of the International Whaling Commission meeting; and

(d) calls on the Australian Government to press the Japanese Government to take action on the alleged embezzlement of whale meat, and to either charge the Greenpeace activists with an offence or release them.

Senator Stephens to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) Australia will host the visit of Pope Benedict XVI for World Youth Day 2008 from 15 July to 20 July 2008, in Sydney,

(ii) the Catholic Archdiocese of Sydney, with the support of the New South Wales and Australian Governments were successful in bidding for the World Youth Day 2008 celebrations and all have worked tirelessly to ensure the event showcases Australia to the world,

(iii) more than 225 000 young pilgrims are expected to take part in the World Youth Day celebrations, including more than 125 000 overseas pilgrims and up to 500 000 are expected to participate in the final mass celebrated by the Holy Father at Randwick Racecourse on 20 July 2008,

(iv) 40 000 Sydneysiders have opened up their homes as home stay accommodation for pilgrims, and

(v) 8 000 volunteers will assist in ensuring that this celebration of spirituality and youth is a safe and successful event;

(b) welcomes the Holy Father for his first visit as Head of State to Australia;

(c) congratulates him on his commitment to interfaith dialogue whilst in Australia: and

(d) wishes all involved in World Youth Day 2008 a successful and uplifting week of celebration.

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

That the Senate—
(a) notes the International Whaling Commission 2008 State of the Cetacean Environment report, which lists the impact of climate change and ocean pollution on the world’s whales, dolphins and porpoises;

(b) notes, with concern, that the coastal areas along Australia’s seaboard, which are ‘dead zones’ due to deoxygenation, are expanding; and

(c) calls on the Government to report to the Senate by 1 October 2008 on this growing threat and the Government’s comprehensive strategy to reverse it.

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

That the Senate asks the Minister for Foreign Affairs (Mr Smith) to assess the memorandum of understanding between the Government of Timor Leste and GT Leste Biotech for a 100000 hectare sugar plantation and ethanol plant to ensure Australian funds are not involved if there are adverse social or environmental consequences.

COMMITTEES

Selection of Bills Committee

Report

Senator O’BRIEN (Tasmania) (3.39 pm)—I present the sixth report of 2008 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator O’BRIEN—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT No. 6 OF 2008

(1) The committee met in private session on Tuesday, 24 June 2008 at 4.29 pm.

(2) The committee resolved to recommend—

That—

(a) the provisions of the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and three related bills be referred immediately to the Economics Committee for inquiry and report by 16 October 2008 (see appendix 1 for a statement of reasons for referral); and

(b) the Poker Machine Harm Minimisation Bill 2008 be referred immediately to the Community Affairs Committee for inquiry and report by 10 November 2008 (see appendix 2 for a statement of reasons for referral).

(3) The committee resolved to recommend—

That the following bills not be referred to committees:

• Crimes Legislation Amendment (Enhanced Child Protection from Predatory Tourism Offences) Bill 2008
• Environment Protection and Biodiversity Conservation Amendment (Control of Power Station Emissions) Bill 2008
• Governance Review Implementation (AASB and AUASB) Bill 2008
• Governor-General Amendment (Salary and Superannuation) Bill 2008
• Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008
• Pregnancy Counselling (Truth in Advertising) Bill 2006 [2008]
• Protection of the Sea Legislation Amendment Bill 2008
• Tax Laws Amendment (2008 Measures No. 3) Bill 2008
• Therapeutic Goods Legislation Amendment (Annual Charges) Bill 2008.

The committee recommends accordingly.

(4) The committee deferred consideration of the following bills to its next meeting:

• Plastic Bag Levy (Assessment and Collection) Bill 2002 [2008]
• Trade Practices (Creeping Acquisitions) Amendment Bill 2007 [2008].

(Kerry O’Brien) Chair
25 June 2008

APPENDIX I

Proposal to refer a bill to a committee

Name of bill:
Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008
Reasons for referral/principal issues for consideration:
The long-term cost of unforeseen leakage of carbon dioxide from geological storage could be very substantial. This legislation shifts the liability for such leakage from the large greenhouse gas emitters who may use geological storage, to the public. Given the uncertainty about the permanence of geological storage the Senate needs to carefully consider these liability risks.

Possible submissions or evidence from:
CSIRO, Geoscience Australia, Large emitters (eg power stations) promoting geosequestration

Committee to which bill is to be referred: Legal and Constitutional Committee

Possible hearing date(s): October 16, 2008
Possible reporting date: October 16, 2008

APPENDIX 2
Proposal to refer a bill to a committee

Name of bill:
Poker Machine Harm Minimisation Bill 2008

Reasons for referral/principal issues for consideration:
Research into gambling shows that targeted changes can cut rates of excessive gambling and that cutting rates of excessive gambling is a very important part of addressing problem gambling and allowing people to play the pokies with reduced harm.

Family First’s Bill sets out a number of harm minimisation measures such as limiting cash bets on poker machines to $1 a spin, payout prizes to a maximum of $1,000, limiting ATM withdrawals at gambling venues to $100 a day and introducing smart cards with a $1000 fortnightly limit for those who want to play more powerful machines up to $5 a spin.

Possible submissions or evidence from:
Dr Charles Livingstone, Assoc Prof Linda Hancock, Brotherhood of St Laurence, St Vincent de Paul Society, Victorian Inter Church Gambling Taskforce, Australasian Gaming Machine Manufacturers Association and other experts and welfare groups from Australia and overseas

Committee to which bill is to be referred: Community Affairs Committee
Possible hearing date(s): 27-29 October 2008
Possible reporting date: 10 November 2008

Legal and Constitutional Affairs Committee

Extension of Time

Senator CROSSIN (Northern Territory)
(3.40 pm)—by leave—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 26 June 2008.

Question agreed to.

NOTICES
Postponement

The following items of business were postponed:
General business notice of motion no. 103 standing in the name of the Leader of the Australian Democrats (Senator Allison) for today, relating to Western Sahara, postponed till 26 June 2008.
General business notice of motion no. 123 standing in the name of the Leader of the Family First Party (Senator Fielding) for today, relating to an amendment to the reporting date for the Joint Standing Committee on Electoral Matters inquiry into the Commonwealth Electoral Amendment (Political Donations and Other Measures) Bill 2008, postponed till 25 June 2008.

SAVE OUR SOLAR (SOLAR REBATE PROTECTION) BILL 2008

Referral to Committee

Senator JOHNSTON (Western Australia)
(3.41 pm)—I move:
(1) That the Save Our Solar (Solar Rebate Protection) Bill 2008 [No. 2] be referred to the Environment, Communications and the Arts Committee for inquiry and report by 15 August 2008, together with the following matters:
(a) the impact of the means test threshold of $100,000 on the $8,000 solar rebate per household on the solar industry;
(b) the effect on the uptake of solar panels by Australian households, comparing state-by-state results;
(c) the impact on the number of applications for the $8,000 since the budget decision to impose the means test;
(d) the impact on jobs in the solar industry, comparing state-by-state results;
(e) the impact on emissions reductions as a consequence of this decision, comparing state-by-state results;
(f) the consultation that occurred within government, including departments and agencies, prior to the decision and the input of each department and agency on the measure;
(g) the economic and environmental modelling underpinning the decision to impose the means test;
(h) the extent of the discussion prior to the decision with the solar panel industry on the impact of the decision;
(i) the future viability of, and effects on, the solar industry as a result of the means test;
(j) the impact on the Solar Cities programs at various sites around Australia and other related programs; and
(k) other relevant matters.

(2) That, as a minimum, the committee hold hearings in all Australian capital cities and hears evidence, inter alia, from Australia’s solar industry.

Question agreed to.

COMMITTEES

Foreign Affairs, Defence and Trade Committee

Meeting

Senator O’BRIEN (Tasmania) (3.41 pm)—At the request of Senator Bishop, I move:

That the Foreign Affairs, Defence and Trade Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 26 June 2008, from 4 pm, to take evidence for the committee’s inquiry into the review of reforms to Australia’s military justice system by the Australian Defence Force.

Question agreed to.

Agricultural and Related Industries Committee

Reference

Senator PARRY (Tasmania) (3.42 pm)—At the request of Senator Heffernan, I move:

That the following matter be referred to the Select Committee on Agricultural and Related Industries for inquiry and report by 27 November 2009:

Food production in Australia and the question of how to produce food that is:
(a) affordable to consumers;
(b) viable for production by farmers; and
(c) of sustainable impact on the environment.

Question agreed to.

DEFENCE PROCUREMENT

Return to Order

Senator PARRY (Tasmania) (3.42 pm)—I seek leave to amend general business notice of motion No. 134, standing in the name of Senator Minchin, to provide the government with more time to comply with the return to order.

Leave granted.

Senator PARRY—I move the motion as amended:

That—

(i) the response from the Minister from Defence, the Honourable Joel Fitzgibbon MP, of 16 June 2008 to a Senate order for production of documents advised that “the documents in question are “Restricted” and “Commercial in Confidence” and as such I will not be
making them available to the Special Minister of State for tabling in the Senate’, and

(ii) the procedural order of continuing effect relating to accountability provides that ‘The Senate…shall not entertain any claim to withhold information…on the grounds that it is commercial-in-confidence, unless the claim is … accompanied by a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure of the information’; and

(b) there be laid on the table by the Minister representing the Minister for Defence, no later than 3.30 pm on Thursday, 26 June 2008, a statement of the commercial harm that would result from the disclosure of the commercial-in-confidence information in the red folder relating to defence procurement projects.

Question agreed to.

COMMERCIAL READY PROGRAM

Senator PARRY (Tasmania) (3.44 pm)—At the request of Senator Abetz, I move:

That the Senate—

(a) notes the critical role of the former Howard Government’s Commercial Ready program in fostering innovation, leveraging private sector capital, creating jobs and developing new ideas and medical solutions for Australians;

(b) condemns:

(i) the Rudd Labor Government for its foolish and short-sighted decision to cut this program,

(ii) the Rudd Labor Government for preempting the outcome of the National Innovation Review, and

(iii) the Minister for Innovation, Industry, Science and Research (Senator Carr) for describing the Commercial Ready program as assistance to ‘millionaires’; and

(c) calls on the Rudd Labor Government to:

(i) fund all projects approved between 28 April and 13 May 2008,

(ii) compensate individuals and companies who spent money preparing grant applications in good faith, and

(iii) at least restore the Commercial Ready program for the 2008-09 financial year.

Senator LUDWIG (Queensland—Minister for Human Services) (3.44 pm)—by leave—I understand formality has been granted, but I want to make a short statement on behalf of the Minister for Innovation, Industry, Science and Research, Senator Carr. Apart from the opinions expressed in it, which Senator Carr and the government do not share, this motion includes two factual errors. The first is that Senator Carr has never referred to the Commercial Ready program as ‘assistance to millionaires’. The Hansard reference does not record the interjection that Senator Carr was responding to. I make that point on behalf of Senator Carr. The second error is that the motion states that projects were approved in the period between 28 April and 13 May. I am informed that Senator Carr has said that no projects were approved during that period. Finally, Senator Carr notes that the motion calls on the Senate to commit to unspecified and unspecifiable expenditure because it calls on the government to provide compensation to companies that were preparing grant applications. With those few words, I want to ensure that the record is correct in respect of this matter.

Question agreed to.

CLIMATE CHANGE

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

That the Senate requests the Government to explain, by Thursday, 26 June 2008, its opposition to general business notice of motion no. 102 from the Leader of the Australian Democrats (Senator Allison).

Question agreed to.
COMMITTEES
Fuel and Energy Committee
Establishment
Senator ELLISON (Western Australia) (3.47 pm)—by leave—Rather than go through the convoluted process of suspending standing orders and the denial of formality, as we have done in the past, I foreshadow that I will simply seek to move motions Nos 136 and 137 standing in my name together and then have a debate on that issue, which is the setting up of select committees. I foreshadow that I will seek leave of the Senate to do it with that rather shortcut approach.

Senator LUDWIG (Queensland—Minister for Human Services) (3.48 pm)—by leave—I will make a short statement now. I will have more to say shortly. The government want to argue quite strenuously about these matters, for the same reason that I spoke about earlier in respect of Senator Bernardi. It is the same problem we face. We have limited time available. We want to make our point, and make it strenuously, about what this government wants out of these matters and wants to put on the record and what the opposition is now doing in respect of these matters. We will give leave for these matters to be heard together. We want the questions to be put separately because we have views about them that should be clear and dealt with individually.

Senator ELLISON (Western Australia) (3.50 pm)—by leave—I move motions Nos 136 and 137, standing in my name, together:

(1) That a select committee, to be known as the Select Committee on Fuel and Energy, be established to inquire into and report on:

(a) the impact of higher petroleum, diesel and gas prices on:

(i) families,

(ii) small business,

(iii) rural and regional Australia,

(iv) grocery prices, and

(v) key industries, including but not limited to tourism and transport;

(b) the role and activities of the Petrol Commissioner, including whether the Petrol Commissioner reduces the price of petroleum;

(c) the operation of the domestic petroleum, diesel and gas markets, including the fostering of maximum competition and provision of consumer information;

(d) the impact of an emissions-trading scheme on the fuel and energy industry, including but not limited to:

(i) prices,

(ii) employment in the fuel and energy industries, and any related adverse impacts on regional centres reliant on these industries,

(iii) domestic energy supply, and

(iv) future investment in fuel and energy infrastructure;

(e) the existing set of state government regulatory powers as they relate to petroleum, diesel and gas products;

(f) taxation arrangements on petroleum, diesel and gas products including:

(i) Commonwealth excise,

(ii) the goods and services tax, and

(iii) new state and federal taxes;

(g) the role of alternative fuels to petroleum and diesel, including but not limited to: LPG, LNG, CNG, gas to liquids, coal to liquids, electricity and bio-fuels such as, but not limited to, ethanol;

(h) the domestic oil/gas exploration and refinement industry, with particular reference to:

(i) the impact of Commonwealth, state and local government regulations on this industry,

(ii) increasing domestic oil/gas exploration and refinement activities,
with a view to reducing Australia’s reliance on imported oil, and

(i) the impact of higher petroleum, diesel and gas prices on public transport systems, including the adequacy of public transport infrastructure and record of public transport investment by state governments.

(2) That the committee report to the Senate from time to time on any related matters, and present its final report by 21 October 2009.

(3) That the committee consist of 8 members, 2 nominated by the Leader of the Government in the Senate, 4 nominated by the Leader of the Opposition in the Senate, 1 nominated by the Leader of Family First in the Senate and 1 nominated by any minority group or groups or independent senator or independent senators.

(4) (a) On the nominations of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate and minority groups and independent senators, participating members may be appointed to the committee;

(b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of committee, but may not vote on any questions before the committee; and

(c) a participating member shall (not) be taken to be a member of the committee for the purpose of forming a quorum of the committee if a majority of members of the committee is not present.

(5) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(6) That the committee elect an Opposition member as its chair.

(7) That the committee elect a Government member as its deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(8) That, in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote.

(9) That the quorum of the committee be 5 members.

(10) That the committee have power to appoint subcommittees consisting of 4 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(11) That 3 members of a subcommittee include a quorum of that subcommittee.

(12) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings and the evidence taken and interim recommendations.

(13) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President.

(14) That the committee be empowered to print from day to day such documents and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

(1) That a select committee, to be known as the Select Committee on the National Broadband Network, be established to inquire into and report by 30 March 2009 on:

(a) the Government’s proposal to partner with the private sector to upgrade parts of the existing network to fibre to provide minimum broadband speeds of 12 megabits per second to 98 per cent of Australians on an open access basis; and
(b) the implications of the proposed National Broadband Network (NBN) for consumers in terms of:
(i) service availability, choice and costs,
(ii) competition in telecommunications and broadband services, and
(iii) likely consequences for national productivity, investment, economic growth, cost of living and social capital.

(2) That the committee’s investigation include, but not be limited to:
(a) the availability, price, level of innovation and service characteristics of broadband products presently available, the extent to which those services are delivered by established and emerging providers, the likely future improvements in broadband services (including the prospects of private investment in fibre, wireless or other access networks) and the need for this government intervention in the market;
(b) the effects on the availability, price, choice, level of innovation and service characteristics of broadband products if the NBN proceeds;
(c) the extent of demand for currently available broadband services, what factors influence consumer choice for broadband products and the effect on demand if the Government’s fibre-to-the-node (FTTN) proposal proceeds;
(d) what technical, economic, commercial, regulatory and social barriers may impede the attainment of the Government’s stated goal for broadband availability and performance;
(e) the appropriate public policy goals for communications in Australia and the nature of regulatory settings that are needed, if FTTN or fibre-to-the-premise (FTTP), to continue to develop competitive market conditions, improved services, lower prices and innovation given the likely natural monopoly characteristics and longevity of the proposed network architecture;
(f) the possible implications for competition, consumer choice, prices, the need for public funding, private investment, national productivity, if the Government does not create appropriate regulatory settings for the NBN;
(g) the role of government and its relationship with the private sector and existing private investment in the telecommunications sector;
(h) the effect of the NBN proposal on existing property or contractual rights of competitors, supplier and other industry participants and the exposure to claims for compensation;
(i) the effect of the proposed NBN on the delivery of Universal Service Obligations services;
(j) whether, and if so to what extent, the former Government’s OPEL initiative would have assisted making higher speed and more affordable broadband services to areas under-serviced by the private sector; and
(k) the cost estimates on which the Government has based its policy settings for a NBN, how those cost estimates were derived, and whether they are robust and comprehensive.

(3) That, in carrying out this inquiry, the committee will:
(a) expressly seek the input of the telecommunications industry, industry analysts, consumer advocates, broadband users and service providers;
(b) request formal submissions that directly respond to the terms of reference from the Australian Competition and Consumer Commission, the Productivity Commission, Infrastructure Australia, the Department of the Treasury, the Department of Finance and Deregulation, and the Department of Infrastructure, Transport, Regional Development and Local Government;
(c) invite contributions from organisations and individuals with expertise in:

(i) public policy formulation and evaluation,
(ii) technical considerations including network architecture, interconnection and emerging technology,
(iii) regulatory framework, open access, competition and pricing practice,
(iv) private sector telecommunications retail and wholesale business including business case analysis and price and demand sensitivities,
(v) contemporary broadband investment, law and finance,
(vi) network operation, technical options and functionality of the 'last mile' link to premises, and
(vii) relevant and comparative international experiences and insights applicable to the Australian context;

(d) advertise for submissions from members of the public and to the fullest extent possible, conduct hearings and receive evidence in a manner that is open and transparent to the public; and

(e) recognise the Government’s NBN proposal represents a significant public sector intervention into an increasingly important area of private sector activity and that the market is seeking openness, certainty and transparency in the public policy deliberations.

(4) That the committee consist of 7 senators, 2 nominated by the Leader of the Government in the Senate, 4 nominated by the Leader of the Opposition in the Senate, and 1 nominated by minority groups or independents.

(5) (a) On the nominations of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate and minority groups and independent senators, participating members may be appointed to the committee;

(b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee; and

(c) a participating member shall be taken to be a member of the committee for the purpose of forming a quorum of the committee if a majority of members of the committee is not present.

(6) That the committee may proceed to the dispatch of business notwithstanding that all members have not been duly nominated and appointed and notwithstanding any vacancy.

(7) That the committee elect as chair one of the members nominated by the Leader of the Opposition in the Senate.

(8) That the quorum of the committee be 4 members.

(9) That the chair of the committee may, from time to time, appoint another member of the committee to be the deputy chair of the committee, and that the member so appointed act as chair of the committee at any time when there is no chair or the chair is not present, at a meeting of the committee.

(10) That, in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote.

(11) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to examine, and that the quorum of a subcommittee be 2 members.

(12) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings and the evidence taken and such interim recommendations as it may deem fit.

(13) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President.
(14) That the committee be empowered to print from day to day such papers and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

Motion No. 136 is about the establishment of a select committee on fuel and energy, and motion No. 137 is about the establishment of a select committee on the national broadband network. These are very important measures indeed. I think a very good starting point is a quote by Senator Evans, the Leader of the Government in the Senate, who, when addressing the Subiaco branch of the Australian Labor Party on 28 June 2007, stated:

Labor recognises the role and value of an empowered Senate. Our support for the Senate has grown as it has developed into an effective political institution. Labor—in government or opposition—supports the Senate as a strong house of review, scrutiny and accountability.

That is something which squarely sets the scene for the establishment of these two select committees on two very important issues. Labor, formerly in opposition, stated a very clear principle that the Senate is a house of review, scrutiny and accountability. That statement says that, even in government, Labor would hold that view. I therefore call upon the government to agree with these two motions to set up Senate select committees, on fuel and energy and the national broadband network, both of which are major issues in Australia today.

At the outset I foreshadow an amendment that Senator Parry will move. It is a technical amendment in relation to motion 136, and deals with the issue of a deputy chair. It is a matter which is technical in nature. But the biggest issue here is the subject matter of these select committees. Firstly, in relation to fuel and energy, we have comprehensive terms of reference which speak for themselves and request the Senate to refer this motion to a select committee, which is to report by 21 October 2009. The single biggest issue in discussion right across Australia today is the price of fuel and, in particular, the cost to fill the average family car. The impact of spiralling costs upon the disposable incomes of working families is unquestionable. This has been an issue which the Rudd government has made much of and, during the campaign for the recent election, it spoke of reducing the price of petrol—in fact, it was very much at the core of the Rudd campaign in the last election.

Alternatives to current contemporary fuels, including the wide range of renewable energy sources currently available, and new-age synthetic fuels such as coal to liquids and gas to liquids, also need to be carefully examined and benchmarked to determine their costs, commercial viability and availability. The committee would inquire into the impact of higher petroleum, diesel and gas prices on families, small businesses, rural and regional Australia and grocery prices, as well as on industry. It would look at the role of the petrol commissioner, the impact of an emissions-trading scheme, state regulatory powers, taxation arrangements and a number of other crucial areas which deal with fuel and energy in this country.

This is not a reference which simply goes to a Friday committee for a two-week turnaround. This is not a reference which comes about as a result of one particular piece of legislation. It comes about as the result of an issue which has an impact across a broad range of areas in average life today in Australia. It merits a comprehensive review by a Senate select committee and it needs the time for that review to be adequately carried out—hence, we have included in the reference the reporting date of 21 October 2009.

The other select committee would deal with a national broadband network. This is required to fully examine the government’s
national broadband network proposal, which is vague, to say the least. It needs to consider the confusion and concern surrounding that plan and also the potential contribution of $4.7 billion of more public money. This process has been cloaked in a veil of secrecy and it needs adequate scrutiny by the Senate.

The committee will also examine the implications for consumers of the proposed national broadband network in terms of service availability, choice and costs—all of these being of crucial importance to average Australians around this country. The potential impacts on competition in the telecommunications sector and existing broadband services, as well as likely consequences for national productivity, investment, economic growth, inflation, cost of living and social capital, also need to be considered.

It should also be put on the record that the government when in opposition complained about the lack of scrutiny concerning Telstra. We had many committees of inquiry dealing with the legislation surrounding the sale of Telstra, what Telstra did and the implications of broadband. It was then that the current government in opposition complained that there was not sufficient scrutiny then. This is an issue which is not going away. It is becoming more and more important to all Australians. Of course, with the development of technology and with the changing climate of communications, it becomes even more important that we maintain Senate scrutiny in relation to these areas. I hark back to the comments by Senator Evans, the Leader of the Government in the Senate, when he said:

Labor—in government or opposition—supports the Senate as a strong house of review, scrutiny and accountability.

In setting up these two select committees, we are replacing previous select committees that have done their job and reported—and, I might say, they have done a service to the parliament in the scrutiny they carried out. These two select committees will have broad-ranging terms of reference and the time to carry out this essential scrutiny. In the case of the broadband reference, the motion refers to a reporting date by 30 March 2009; again, taking these issues very seriously, allowing the Australian community as well as stakeholders who have a vital interest to make submissions and ensuring that the Senate has that scrutiny role, which is so essential. As I have said, it is not appropriate that we refer it to a Friday committee for a two-week turnaround. These are very important motions which provide for participation by senators from across the board in this chamber and contemplate the make-up of the Senate post 1 July this year.

I understand that Senator Brown might have a motion which he has discussed with me, where ‘minority groups’ should be referred to as ‘minority parties’. I can say that the coalition has no trouble with such an amendment. I commend these two motions to the Senate. The coalition has no problem in the question being put separately, should it be required.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.59 pm)—by leave—firstly, I want to in both motions alter the term ‘minority group’ to ‘minority party’; otherwise the Greens are not noted. I thank Senator Ellison for flagging his acceptance of that change, which does not affect the impact of the motion. I move:

Omit “minority group” (wherever occurring), substitute “minority party”.

I also move an amendment to motion No. 136, paragraph 1:

After (1)(i), insert:

(j) the contribution of fossil fuels, including petroleum, diesel and gas, to Australia’s greenhouse gas emissions; and
(k) the potential of alternatives and options for Australia to the use of these fuels and any short- or long-term economic, social or environmental costs or advantages of those options.

The DEPUTY PRESIDENT—For the sake of the chamber, Senator Brown has moved an amendment. Is it to both motions, Senator Brown?

Senator BOB BROWN—The amendment altering ‘minority group’ to ‘minority party’ is to both.

The DEPUTY PRESIDENT—It seems therefore reasonable from my perspective, as the chair, to deal with your amendments first and then we will take those foreshadowed amendments, technical amendments, which I understand Senator Parry wants to make, and deal with those. So when we finally get to a vote on the issues, we will split the motions. We will deal with 136, with the Senator Bob Brown amendment, and then we will deal with the amendment foreshadowed by Senator Parry. Subject to the outcome of that, we will deal with 137, the amendment by Senator Bob Brown, dispose of that and then deal with the amendment by Senator Parry again.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.01 pm)—by leave—I flag that I have two amendments to 136 and one amendment to 137.

Senator LUDWIG (Queensland—Minister for Human Services) (4.01 pm)—by leave—I am going to outline the procedural position that the Liberals are now adopting in respect of this matter; in fact, you can tell from the sloppy drafting that they have endeavoured to put in place. If you look at motion 136 at (4)(c), they forgot to make a choice and they have left the ‘shall not’ in there. It highlights the abysmal position that they have adopted in respect of how they proceed in this place. They have said:

…a participating member shall (not) be taken to be a member of the committee for the purpose of forming a quorum of the committee if a majority of members of the committee is not present. The ‘not’ is in brackets. Clearly, that is a choice you have to make. You have to choose which one you decide to take.

In motion 137, you can see that you have actually made a choice. In that one you have said ‘a participating member shall be taken to be a member for the purposes’ and it goes on. You know there is an error there; you will have to fix it up. It highlights what the Liberals have done in respect of these committees. If you go back and look at the last parliament, in the 41st Parliament between 2004 and 2008, you had three select committees: the Senate Select Committee on the Administration of Indigenous Affairs, the Senate Select Committee on the Scrafton Evidence and the Senate Select Committee on Mental Health. Select committees are important for the Senate to deal with special or certain circumstances. They are not a caravanserai for the Liberals to run around the countryside sipping lattes all around the place while they do these things—if they turn up to them. It is about special circumstances which require an inquiry into them.

If you go back and look at the 40th Parliament, there were eight select committees from 2002 to 2004. They dealt with a certain maritime incident, which the Liberals might recall and should hang their heads in shame about; superannuation, an important issue; Medicare; ministerial discretion in migration matters, under section 417 of the Migration Act, which the Liberals made a meal of; the free trade agreement between Australia and the United States of America; the one that the Liberals rolled over on, the Lindeberg grievance—you can hang your heads in shame about that; plus the Scrafton evidence again.
Select committees are for those special circumstances that require extended examination, not the abuse or the hypocrisy which the Liberals are now putting in this place. To put it bluntly: these amendments are hypocritical. They build on the Liberals’ long record of undermining the role of the Senate. They create unnecessary duplication. They are loading senators and, more importantly, the committee staff with even more work at a time when the Senate committees already have a full workload. It is ignoring the way this place works; it is ignoring the principles that have been established in this place. Furthermore, the issues that have been raised in the terms of reference have, in large part, been reviewed and analysed to death.

We do not need a new talkfest around emissions trading on petrol and around broadband. Broadband is currently subject to an open, competitive and extensive tender process with an independent committee reviewing the tender. How much more scrutiny does it need? During the Liberals’ term you did nothing. You sat on about 18 different failed attempts to start it. What we need is action, and Minister Conroy is taking that decisive action. There is a competitive tender in process.

What you are doing is trying to govern from opposition. You cannot do it; you cannot govern from opposition. You really missed the point. When you were in government, the Liberals consistently sought to undermine the role of the Senate by pushing through legislation such as Work Choices. Let me remind you about what you did with Work Choices, in terms of how you undermined the committee process in this place, which you had no mandate to deliver in the first place, and how you refused to refer the legislation to committee. In truth you referred it for nothing more than a cursory examination. The latest attack to try to draw it down, hide it, squirrel it away and bowl it through so there was not proper scrutiny. That is what you did when you were in government. With the big schemes, you ensured you were the smallest target possible.

These new select committees on fuel, energy and the national broadband network will be set up. Each has nominal terms of reference and reporting dates and the representation is essentially stacked in favour of the opposition, the Liberals. What we now have is them taking the position of chair, with of course the ability to appoint a deputy chair. Maybe we could find out what their intentions are with respect to that. Is it the case that they are going to pick the deputy chairs from amongst the Greens? Is it that new system of how select committees are going to work that we have now discovered? They have found out that 30 shekels is a good idea and they are going to use the deputy chair’s position for that role. They are not for that purpose. These are committees for select issues. They are not for the largesse of the Liberal Party; they are for important matters. You will undermine them with the role that you are now using them for.

What the Liberals are in fact doing is establishing a parallel system of Senate committees and rewarding mates with chairing positions. It is the parliamentary equivalent of setting up a new game. You have decided to construct a separate game away from this place, because this is where references are gone through, where the process for the selection of committees takes place. They are brought in here and then they move to the committee structure, which you Liberals recently set up in the last parliament. What you did not do was realise that you might actually have to hand the reins over to a responsible government. What you have then said is, ‘We don’t want to play by the rules anymore, so we’re going to set up a parallel system.’ What you have then put in place is quite frankly an abuse of the Senate process.
You have set up four committees. One has already reported under the select committee process. You are now introducing another two. It is literally at the rate of one select committee a month, rather than a reference to the appropriate standing committee for these matters to be dealt with. That is what you argued for when you were in government: that it would be best to have a standing committee so that you could then have both references and legislation dealt with and the standing committees would be able to deal broadly with those issues.

What you have now done is set up a parallel system because you do not like the rules of the existing committee system, which you established. Why? It is patently obvious why you do not like it: because you want to be able to throw your largesse around, you want to be able to use the deputy chairs in a way that they have not been used before. And we might hear about how you are going to do that. You might be able to guarantee us now who are going to be the deputy chairs of the committees. You might be able to say what your intention is with respect to that. You might be able to say as well whether you are going to attend those committees. Clearly, the recognition in this place is that you are going to use your numbers to crunch these committees through. Well, go to them. Will you give a guarantee that, if you do not turn up, if you do not provide the quorums, you will then abandon the committee process at that point? Will you call an end to it and say, ‘We didn’t actually support it in truth; we only set it up so that we could collect the chair’s salary’? If you are serious you will give that ironclad guarantee today that you will not only set up the committee and participate in it but also ensure that you—

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! Senator Ludwig, I remind you to address your remarks through the chair rather than directly to the opposition.

Senator LUDWIG—My apologies, Mr Acting Deputy President. What the Liberals should do is guarantee that they will commit to making sure that there are quorums on these committees. It is clear that they will set them up; it is clear that they will have the chair positions; it is clear that they will then provide the largesse of the deputy chair to whomever they choose. If that is going to be the case they should give a guarantee today that they will meet the quorum requirements, they will participate in those committees and they will go to those committees. If they do not go to those committees, they should then immediately abandon the committee and recognise the fact that they did not supply quorums to those committees. And they should let us know today that that is in fact what they are going to do.

When the Liberals took control of the Senate we saw a massive increase of the then government’s share of allocated questions in question time. Quite frankly, they have tilted it in their favour again. Every time you see the Liberals use their numbers, it is not about ensuring the Senate reviews legislation from the House, it is not about ensuring proper scrutiny; it is about tilting the balance in their favour, it is about using their numbers in this place to crunch it through. You saw that when they then massively increased their share of questions in question time. You also saw that there was a massive 400 per cent increase in their rejection of proposed inquiries for reference committees in the same period. So they then said, ‘We will say no to broad references to standing committees.’ There was a 400 per cent increase in the ‘no’ vote. So these motions for references to appropriate committees that the then opposition wanted to get up were denied. What you now have is the Liberals using a parallel system to achieve a parallel process, because
they do not have the numbers on the standing committees.

When the Liberals were in government the length of the inquiries crashed, because they did not want scrutiny. The average length of the inquiries had nearly a full two weeks shaved off, from 39 days to just over 27 days. And that does not highlight the special committees such as the Telstra inquiry, which was a one-day special inquiry, or the industrial relations inquiry, which was a very short inquiry—because, where there were big matters to be examined, they did not want examination. Finally, we saw debate after debate being gagged or guillotined on the most important issue facing Australians: Work Choices. The Liberals took the drastic and draconian step of cutting off debate and refusing to let the Senate properly consider the impact of that legislation on Australian working families.

That is the Liberal record in this place. And they stand here hypocritically, saying, ‘We’re all about open and accountable government; we’re all about scrutiny and review in this place.’ It is hypocritical for the opposition, the Liberals, to stand here and argue that in the face of what they did when they had the numbers and they were in government, and what they are doing now in opposition while they still have the numbers to be able to crunch through these inquiries where select committees are not called for. In the same way we have made another change to the committee system within about 24 hours. They know that we are coming to the end of this session. They know that the winter recess is facing us. So they have then said, ‘Whoops; we had better throw in two more select committees to make sure that they continue—

Senator Ellison—Replacing two.

Senator LUDWIG—I will take that interjection, Acting Deputy President. If you look at the ministers that have been dealing with these issues, you will find again that there is plenty of opportunity for the standing committee processes that are in place to deal with these matters. But instead, right at the last, at the death knock again, the Liberals are throwing up two additional committees. On average, one select committee every six months. Are they going to continue with this one every six months? At that rate, they are going to exhaust the staff in this place that support the select committees. But they do not care about that because, if you look at the endgame, it is about ensuring that they have got an outcome for themselves. It is a well-disguised attempt to consolidate their power further and replace the existing system which has worked.

The previous system had devolved power between the parties in the Senate, providing much greater scrutiny by non-government senators, including the minority parties. Now that the Liberals are out of power, they have unilaterally decided that they do not like the set-up of the Senate committee structure. But, of course, they feel a little bit wedded to it given that it was their invention when they were in government. They cannot cut it down; instead, as I have described, they will set up a parallel committee process so that they can maintain control, so that they can maintain chairs and so that they can maintain the outcomes from those select committees. But the challenge for them is to also make sure that they maintain quorums in those committees. The proposals today before us are ludicrous. They should own up to it. It is clear that they are only doing it for the stated reasons of looking after their mates in this place as we head into the winter break.

They are setting up a parallel system of reference committees, which is essentially having a roving mandate to act as a standing committee and to investigate anything they want as long as it is a related matter. If the
Liberals really have an issue which they wish to investigate then they should propose a proper reference in this place and advance the matter through the standing committees that they supported and which they set up in government. If you look at the number of inquiries that have been dealt with in this place and then look at how the workload is structured, they have added another layer of talkfest for select committees, which is unnecessary, using that process. They are restricting the excellent work that standing committees do in this place to ensure outcomes that go to scrutiny and to review. They are going to dilute the Senate process. They run the risk of treating it badly. If you treat it badly, you will trivialise it. If you trivialise it, we will all wear the outcome in this place because it will be taken to mean that the committee work has been downgraded.

If you look at the current workload, there is significant work by the Liberal opposition of referring budget bills off to committees in the winter recess that standing committees are dealing with already. There is important work to be done although, in argument, there is a range of bills that should not have gone off to committees. They know they should not have gone. They know they should have been dealt with in the usual way on the last sitting Friday before now so that we could have had them available before the winter recess.

They have not argued about how they are going to ensure that staffing and that type of issue will be dealt with. They have not outlined how they are going to continue to ensure that they will meet the outcomes of those committees. If you look at the last select committee that reported, quite frankly, the government has that issue in hand. Look at the issue of housing affordability. Look at how this government is acting. We are taking action. If you look at the 11½ years of the Liberals when they were in government, they sat on their hands—and the Senate Select Committee on Housing Affordability in Australia really underlines that.

You now have a clear attack by the Liberals on Senate procedure, the role of the Senate and its ability to function as a house of review. They chipped away at Senate procedure when they were in government. In opposition, the Liberals are again chipping away at it because they do not like scrutiny. They like mates’ rates; that is what they like. They do not like the system that they set up, so they want to set up a parallel system of committees without any justification or argument about what is wrong with the standing committees they have set up. Maybe they are too shy to admit that the standing committees that they set up in opposition and pushed through were not right. Maybe they were not effective enough for them. Maybe they did not understand the committee system sufficiently to ensure that it worked. That is an aside, because they now want to use the select committee effectively as a standing committee, like the previous references committees. It is a pity that they did not look at the history in this place to ensure that the principles were respected. *(Time expired)*

**Senator PARRY** (Tasmania) (4.22 pm)—I have just written a tyranny of notes in relation to Senator Ludwig’s comments. I cannot believe some of the incorrect statements that he made—some do not even relate to the debate we are having. Before I move the amendments to notice of motion No. 136, one of Senator Ludwig’s highlights was when he spoke of a typo of one word. He blames us for this particular typo, but I do not know where it occurred. It could well have occurred anywhere when it was being placed into the *Notice Paper*. That was pedantic. If that is a sign of desperation of a government that does not—
The ACTING DEPUTY PRESIDENT (Senator Chapman)—If I can interrupt you, Senator Parry. We are already discussing amendments that are before the chair. You can foreshadow further amendments in your remarks, but you cannot move further amendments until the first lot are dealt with.

Senator PARRY—Thank you. They were foreshadowed by Senator Ellison. I take that on board. Can I seek a point of clarification? Can I speak again in order to move those amendments?

The ACTING DEPUTY PRESIDENT—You can speak to them now and foreshadow them, and then at the end of your remarks you can move them.

Senator PARRY—Thank you. I was intending to speak to them. If I said ‘move them’ I apologise. This is what we have got down to with Senator Ludwig; we are getting to these very technical issues.

I want to go back to Senator Ludwig’s remarks. He was denigrating senators on his side of politics when he said, ‘They travel around the country sipping coffee.’ I travel around this country doing hard work with Labor senators, with Democrat Senators and with Greens Senators. For Senator Ludwig to insinuate that all we do is travel around the country sipping coffee shows that he is so far removed from the committee process that he needs to go and talk to his backbenchers and find out exactly how hard committee work is, how many hours you spend away from home and the value of committee work to this Senate. Senator Ludwig should know a lot better than that and I hope that he apologises to his backbench senators for belittling the work of committees.

These committees are going to play a valuable role and be a valuable tool in assisting the governing process. The government would have us see $4.7 billion worth of funds for broadband just go through without any scrutiny. We have decided to scrutinise this in such a way that the public can be assured that $4.7 billion worth of taxpayers’ money is going to be adequately and properly spent. We are starting this today, Senator Conroy. I think that the government is afraid of scrutiny. Senator Ludwig says that we are afraid of scrutiny. We are increasing the scrutiny of legislation and we are increasing the scrutiny of the processes of government. We want to make sure that this government works and acts properly.

Senator Ludwig also said that we were ‘governing from opposition’. He thinks that we are governing from opposition. That is what he accused us of. The reason why we need to govern from opposition is that you cannot do it from government. That has been proven. It is absolutely chaotic on your side; you cannot organise things. The Prime Minister has such a tight control that he is dictating to Labor senators how to run this chamber, how to operate, what to do and where to go. Things cannot be done without approval from senior advisers, of a very junior age, in the Prime Minister’s office, so we have to assist. We have been assisting running the government because the government cannot do it. These two committees are going to aid that process.

Senator Ludwig needs to reconsider some of the comments that he made in relation to these committees. He went on to talk about the appointment of chairs and deputy chairs. He wanted to know who we have lined up for appointments, but he must know the process. The committee has not even been established, let alone had members appointed. The Independents and the minor parties may put forward nominees; or they may not. The Labor Party may or may not put forward members for this committee. We have set up this committee so we can have government members, opposition members, Independent members, Family First members.
and Greens members. All parties can have members on this committee, by appointment from their leader; their leader has to nominate them. We have made it so easy that they can simply nominate a member to be on the committee, in accordance with the numbers and the parameters, and then we will sort out—and the members of that committee have the sole discretion—the value and the depth of experience of each of those particular committee members. They will then say, ‘Okay, would you like to be a deputy chair?’ and they will nominate them. It will be up to the members of each committee. So for Senator Ludwig to suggest that for some reason there will be an appointment made by the opposition or by anyone else is absolutely ludicrous. He needs to understand how the system operates, how the standing orders work and how these committees are established. What he said about deputy chairs is a complete furphy.

Senator Ludwig then talked about the workload of Senate staff. I will place on record—and it will be borne out by the clerk assistant who we spoke to—that Senator Chris Ellison and I spoke to a clerk assistant in relation to this matter. We considered that if we wanted to start scrutinising government properly by establishing a select committee—because this government seems totally incompetent—then we wanted to make sure that there would not be a greater workload for the existing staff. The provisions, we were told, of the Senate provide that, each time a new select committee is established, resources are lifted to match that new select committee. So that was not going to be an issue. Otherwise, if we were going to be burdening existing Senate staff and they had no additional resources, we would not have proceeded down this path. That was a very important thing for us to do and we did that prior to the establishment of the first Senate select committee. We wanted to clearly establish that that was the case. We were assured that this is the case and that the provisions of the Senate provide for that. And so it should. Select committees have probably not been used as much as they should have over the last few years. We have established select committees—

Senator Conroy—You wouldn’t allow them to be set up for three years; you are right.

Senator PARRY—You do not need select committees established when you have a government that can govern correctly, properly and for the people. When you have a government that cannot govern correctly you need select committees to clearly monitor the activities of government and to ensure taxpayers’ funds are adequately, properly and wisely spent. I think these points that Senator Ludwig has raised are furphies.

Senator Ludwig then referred to quorums. He wanted to know whether the opposition would attend. I will reverse that. Will the Labor Party commit to it? Will the Labor Party attend these very important committees? Will they become a part of these select committees? Will they nominate? They have provision to nominate for these select committees. Will they fill the number of vacancies that they are allowed to fill? Will they, like us on this side, put every single senator as a participating member, which they can do, on these select committees? Will they also do that? Will they then open it up to allow for the select committees to be fully staffed or manned by their senators and allow each of their senators to become participating members? The proof of the pudding will be in the eating. Senator Ludwig’s words may come back to haunt him if he does not provide for every single member on the Labor side to be a participating member and fill the vacancies that will be there.
Another thing that Senator Ludwig particularly indicated was that, somehow, we are feathering the nests of senators for the winter break. How ludicrous! The committees have not yet started. When the committees are established—and, hopefully, the motions will be passed by resolution in this chamber today—they may not even meet to appoint a chair or deputy chair at this particular time. I might indicate that we have only really got one sitting day left in this place, tomorrow, which has been confirmed, and potentially Friday.

The committees may not have a chance to meet; they may not meet for some time. Existing committees are also running around the country on important inquiries. That leads me to another furphy of Senator Ludwig’s—and he had a bet each way—when he said that the legislative and general purpose committees are designed for some of these purposes. Senator Ludwig is on the Selection of Bills Committee, as are Senator Ellison and I. We are constantly referring matters to legislative and general purpose committees for inquiry and report. A number are in existence at present. Some would consider that some are overloaded and they need the assistance of select committees.

Did Senator Ludwig bother to take into account the fact that we are easing the burden on committees which, at times, struggle to meet their commitments with the number of references and legislative matters that have been forwarded to them, as well as other inquiries? That, again, was a distraction from the main game, which is to establish committees to inquire correctly into two important matters and to supplement the existing committees of this Senate, which are a hallmark of the Australian Senate committee system—that is, to effectively examine issues and, in particular, legislation that come to this place. I would ask that Senator Ludwig reconsider some of those views and look properly at the committee system and be considerate of his own members whom I know, from speaking with them in the corridors of this place, are burdened by having to participate and be full members of so many committees. We are relieving senators of those important tasks, allowing them to continue their current committee inquiries by establishing committees outside the terms of references of those current legislative and general purpose committees.

I turn now to the amendments moved by Senator Bob Brown. The opposition agree to the terminology change of ‘minor party’ that Senator Brown has requested. But in relation to (j) we certainly say that this relates to emissions rather than to what the committee will be looking at. The committee will be looking at the cost of fuel and alternative sources of energy. Emissions is a separate issue; it is peripheral to this inquiry, so we will not agree to that. In relation to (k), which Senator Brown has asked us to consider adding in as an amendment, we believe that that is particularly covered in 1(d) and 1(g) of our terms of reference in the first motion, so we do not believe we need an additional clause, as Senator Brown has indicated.

I turn to the opposition’s amendments which we will be moving. Obviously, we will be removing the word ‘not’ which Senator Ludwig pointed out. It is a typo. Who knows how that occurred but, I think from time to time, those things occur in this place. We are not here to apportion blame, but I think it would have been obvious to anyone that it was a word simply out of place. It was in brackets; it stood out, and it was obvious that it was an error.

I turn to the substantive amendment that we will be moving in relation to notice of motion No. 136. Could I indicate that both of these notices of motion, Nos 136 and 137,
were drafted concurrently. When they were drafted the terms of reference for the so-called technical management of the committee were to be identical. For some reason there is an error in paragraph 7 of notice of motion No. 136. That particular subparagraph 7 will need to be deleted and be replaced. When I eventually move the amendment, I will be moving the words in paragraph 9, on page 12, of today’s Notice Paper. That is how it was originally intended that paragraph 7 should have read in notice of motion No. 136.

I draw the Senate’s attention to that so that senators are aware that, when I do move the motion, that is the reason behind it and that is why we are doing that. It is to provide flexibility to appoint a deputy chair other than from the government. That will allow for it to be a coalition member, a Liberal Party member, a National Party member, a Family First member, an Independent or indeed a member of the Greens. We feel it is discriminatory to nominate one particular party to undertake the role of deputy chair. We are broadening that scope, as we have done in notice of motion No. 137. That is the fairest possible way to appoint a deputy chair. It is very important to have a wide scope.

If I could recap, I think Senator Ludwig reflected quite unjustly on his colleagues when he basically indicated that the work of Senate committees and the select committees would be worthless. He indicated that he thought it was all about travel and sipping coffee. That to me was exceptionally offensive. And it would be exceptionally offensive to the hardworking senators on the Labor side of this chamber, because I have travelled on a variety of committees and I have been in Canberra on a variety of committees with very hardworking and dedicated Labor Party members. Even though we have a different philosophical and political bent at times, we work at our best and hardest and are most cooperative on committees. We have established these committees in that same vein, with that same theme in mind: that we can cooperate, we can work together. We have opened it up to every party in this Senate to be a member of those committees. I again call upon Senator Ludwig to apologise to his backbench members. He is obviously too far removed now to consider the hard work of the committees.

I believe the committee system is one of the most valuable things that this Senate does. I have heard retiring senators say in speech after speech that one of the things they miss the most about becoming a minister or leaving this place is this. The value of the committee work is that the often bipartisan approach taken and the integrity of that process of genuine investigation and inquiry lead to better legislation. In fact, it should give the public of Australia greater faith in how the Senate manages its affairs and how the Senate can work with that bipartisan approach to really do valued work. I know that that is a view shared by many senators, in particular backbench senators.

For those ministers who would like to imagine that committee work is worthless, like Senator Ludwig indicated, I ask them to really reflect on Senator Ludwig’s comment. He needs to personally apologise to every backbench member of the Labor Party who does that tireless work. And if having a cup of coffee whilst you are sitting at a committee table is something that he thinks is a luxury, can I tell him, ‘Resign from the ministry, get back into the real work, get back into committee work and develop a good value set again before you ever consider yourself or nominate yourself for ministry again if that is how you think that the committee system in this place works.’ Before my time expires, could I move motion No. 136? Will I do it later?
The ACTING DEPUTY PRESIDENT (Senator Chapman)—Yes.

Senator Ellison—Mr Acting Deputy President, I rise on a point of order. The advice was that Senator Parry could move the amendment at the conclusion of his remarks. I think that is what he was trying to do.

Senator PARRY—Do I have clarification?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (4.40 pm)—This is an extraordinary and irresponsible motion, particularly when you consider the opposition’s track record on broadband policy. During its 11 years in office, the previous government presided over 18 failed broadband plans. As a result of that—

Senator Cormann interjecting—

Senator CONROY—I did listen to you and I will come to your comments a little bit later, Senator Cormann, I assure you. During its 11 years in office the previous government presided over 18 failed broadband plans. As a result of this neglect and inaction, Australia’s broadband performance has been left languishing. This is a shameful and embarrassing record. But those opposite are not content with the damage they have already done. Now they want to jeopardise the deployment of first-class broadband in Australia from opposition. It is not good enough to have sabotaged the country while in government; you are now at it again.

It is clear that this is nothing more than a cheap political stunt concocted by the opposition in a further abuse of their Senate majority. They are moving a motion proposing an inquiry into the government’s decision to deliver high-speed broadband to 98 per cent of Australian homes and businesses, open access arrangements for the new network and the implications of the new network for consumers. What had they been doing for 11½ years? We know. You have not been doing anything. We know you have not had a clue about broadband and the potential revolution that it can unleash. The opposition should be keenly aware that as a result of their inaction Australia is currently lagging behind many international benchmark countries in broadband deployment. Rather than sitting on our hands, Labor in opposition developed a broadband policy that would overcome our geographic challenges. As opposed to the opposition at the moment, which do not understand the issues, believe their own press releases even when they get them wrong, the government’s broadband policy will ensure that all Australians, including people living in less populated parts of the country, can take part in the digital economy.

Does the opposition really doubt that a national broadband network will be good for consumers?

Senator Cormann interjecting—

Senator CONROY—Do you really doubt it? Does the opposition really doubt that the only way that a network will be rolled out to 98 per cent of the population is with some government decisions? Do you really think it is possible? Senator Cormann, you interjected earlier. Your commentary was citycentric. Labor’s broadband plan is reaching 98 per cent of Australians—98 per cent of Australians are citycentric. You designed a two-tier policy, one rich and fast for the cities and one for the rest of Australia with second-class broadband services. That was your plan.

Senator Cormann interjecting—

Senator CONROY—Unfortunately, Senator Cormann, I do not know who gave you that report and asked you to ask this question. What that report was about was not the total cost of the government’s plan; it was a comparison between two proposals. It
was not about the government’s plan. It was two proposals. It was a comparison between an Optus idea and a Telstra idea. It was not about the government’s plan.

You stood up and you asked a question that is not even about the government plan. You knew so little about what they asked you to ask, and they got you to compare two apples. The government’s plan is the national broadband plan. Those plans are not related. You asked a question that was not about government policy. You actually compared two other plans and said, ‘Here’s the extra cost.’ Neither of those plans is being proposed by the government. The opposition are so intent on abusing their Senate majority that they wish to prolong the broadband blockage that they left behind. You fail to realise that you are no longer in government.

In the dwindling days of your disastrous Senate majority—

Senator Cormann—Disastrous for whom?

Senator CONROY—For you. You had a majority and you lost an election. I wonder if they are connected. You still cannot get over the arrogance that you developed because you had a Senate majority. It cost you the election. The arrogance of your taking control of the Senate and misusing that control cost you the election. But you have not learned your lesson; you are at it again. You have not learned from the last three years.

The introduction of this motion provides another example of your willingness to abuse Senate powers. The opposition have failed to learn the lessons from Work Choices. They failed to learn that abuse of Senate powers in favour of their own narrow political interests is not in the interests of the Australian public. This sort of abuse that you are perpetrating again today is not in the interests of the Australian public. That is why you lost the last election.

The Rudd government has spent its first seven months setting in place the framework for Australia’s broadband future. The opposition are determined to spoil these foundations. This latest stunt is just another act of economic vandalism. The opposition want to set up a perennial broadband blockade. You were not content with ruining the broadband in this country for 11½ years. Now you want to try to do it from opposition.

The Senate does not need to inquire into the reasons that the government is rolling out a national broadband network. Just get out of your office and go for a walk in the streets in Perth, go to all those suburbs that I have visited in Perth and all over Australia, hold a public forum and stand there and explain to them why, after 11½ years, they still cannot even get DSL, never mind ADSL, VDSL or fibre. They still cannot get better than dial-up. Forty per cent of Perth has broadband. You are a disgrace. You had 11½ years, and 40 per cent of your home town has broadband. You are a disgrace. You have allowed Perth to suffer. There are only two cities worse off. The good news for you is that you are not at the bottom. Senator Birmingham, I am glad that you have turned up. Thirty-three per cent of Adelaide has broadband. After 11½ years—

Senator Birmingham interjecting—

Senator CONROY—Go to Hallett Cove, Senator Birmingham. Wander down to Hallett Cove and explain to them that, after 11½ years, you could not deliver broadband to Hallett Cove. Go and explain to them why. Thirty-three per cent of Adelaide has broadband. After 11½ years—

Senator PARRY—I’ll be checking that.
Senator CONROY—You can; it is the ABS statistics. Feel free to look it up. You have got the worst, Senator Parry; you have the second worst, Senator Birmingham; and Senator Cormann has the third worst in the country—32 per cent, 33 per cent and 42 per cent. That is what you have delivered to your constituents after 11½ years. And you come in here and say, ‘We need to inquire as to why we need a national broadband network.’ Go for a walk in your own home towns. Take a walk in the street. You will be told in no uncertain terms that, after 11½ years, you failed. You failed.

The government does not support this broadband committee motion, and it raises three major issues. You should actually withdraw the motion because of these reasons. You should withdraw it because you are being completely irresponsible. Firstly, this inquiry has the potential to undermine or jeopardise a live commercial process—a process that is already underway. Have an inquiry at the end when we have made a decision—feel free—but to try to interfere in a live commercial tender process is grossly irresponsible, and you should be embarrassed. Secondly, the inquiry will be ineffective because stakeholders will be constrained in how they can offer to interact and contribute to the inquiry. In addition, many of the issues that it purports to be inquiring into remain unknown. You are holding an inquiry into things that have not been decided yet. That is how desperate you are. You are making inquiries into decisions that have not yet been decided. It is just embarrassing. You are actually inquiring into things that do not exist. Finally, the inquiry is unnecessary, given the fact that there is already a rigorous, robust, competitive process underway. You are inquiring into things that do not exist. You should be embarrassed, Senator Birmingham.

Senator Birmingham—It is you who should be worried.

Senator CONROY—Oh God; I am terrified! The shadow minister for communications, Bruce Billson, has already taken the unprecedented step of calling for the Auditor-General to examine a live commercial process. It is unprecedented.

Opposition senators interjecting—

Senator CONROY—I called for the Auditor-General to inquire into a process that had been completed. What did the Auditor-General find? I quote:

... nothing has come to our attention to suggest that the arrangements put in place do not provide the basis for the RFP (request for proposals) process to accord with the Commonwealth Procurement Guidelines ...

Nothing. But I did enjoy Mr Billson’s press release with the little dummy spit at the end because they would not come out and agree with him, the little dummy spit where he attacked the Auditor-General. Get over yourselves. Stop believing your own press releases. This is not the answer the shadow minister wanted. The government welcomed the scrutiny of the Auditor-General and we are committed to a robust process. But rather than rely on the Auditor-General the opposition is now attempting to undermine the government’s process—a live commercial tender. The proposed Senate select committee will be dominated by opposition members whose only expertise in broadband is to deliver—where has Senator Parry gone?—32 per cent, 33 per cent, 42 per cent. That is what you have delivered. That is your expertise. You put up a second-rate wireless proposal—

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Senator Conroy, as I reminded Senator Ludwig, address your remarks through the chair.
Senator CONROY—I accept your ad\'monishment, Mr Acting Deputy President, and I will miss you nodding off in the chair occasionally! Farewell, and I look forward to catching up. The proposed Senate committee will be dominated by opposition members whose only expertise has been to preside over a debacle. When the current process has been completed, the government will be fully accountable for the process of its decisions via the usual—

Senator Ellison—Mr Acting Deputy President, I rise on a point of order. I draw to the Senate’s attention that Senator Conroy does not have his computer.

The ACTING DEPUTY PRESIDENT— I do not think there is a point of order. Notwithstanding the use of modern technology, we will excuse Senator Conroy.

Senator CONROY—Unfortunately, the great myth is that the computer is online. It is not, because there is a firewall between the department and the Senate. It is actually just an index. I know the great myth is that I am online to my own office and they are setting me up. It is actually not the case, because there is a firewall. Technology is a wonderful thing. Senator Birmingham discovered this. To be fair, Senator Birmingham does know this, because we have corresponded about it.

The live process that the government has put in place needs to be allowed to run its course. Have an investigation; call everybody you want when it is completed. That is a fair dinkum thing to do.

Senator Boswell interjecting—

Senator CONROY—It is a live tender process, Senator Boswell. At the moment people are spending money in the commercial sector. They are spending money today. They have lodged $5 million bonds. They have already done it. We are in the middle of the process. It is of critical importance in the process the government has established that integrity and confidentiality are maintained. To best demonstrate their ability to meet the government’s objectives, proponents will necessarily be required to put forward significant amounts of highly sensitive commercial information, and that is what you are interfering with. The opposition motion raises the risk that proponents will feel constrained in the information they provide as part of the commercial process being run by the government. If proponents are concerned that sensitive information will be made public through a Senate inquiry, there is a high risk they will feel constrained in presenting their most innovative proposals. This is why this is just economic vandalism and sabotage. If proponents cannot be confident that the government is able to preserve confidentiality, they may limit the extent to which they bring forward detailed proposals and thus again undermine the process.

But that is actually what you are about. You are not interested in an inquiry. You are inquiring into something that has not happened yet. You are actually attempting to continue the broadband sabotage you have been engaged in for the last 11½ years. If the proposals are light on sensitive detail, the task of evaluating the proposals becomes more difficult. It should be self-evident to all senators, given the NBN process established by the government has not yet run its course or made any decisions. You are investigating decisions that have not been made. It is impossible to hold an inquiry into decisions that have not been made, but do not let that worry you. There is no national broadband network at this stage, and until competing proposals have been lodged, considered and evaluated by the expert panel, responses to most of the issues raised by the opposition’s motion will be limited in value.

We note the intention to seek submissions from government agencies and officials. The NBN process is still afoot and involves...
highly sensitive commercial information. Requiring government officials to discuss the conduct of a process in this environment could be detrimental to the process itself. But you know that; that is exactly why you are going to try and do it. Further, many non-government individuals involved in the process have given confidentiality undertakings. The inquiry could put them in an extremely difficult position if they feel compelled to discuss aspects of the commercial process underway. But again, do you care? No. You do not care about delivering broadband to Australians. You just engaged in a last desperate Senate majority power grab. Forty-two per cent of people in Perth—do you know what that means? That means 58 per cent of people in Perth never got broadband under you. Fifty-eight per cent of people in Perth got nothing from you.

The proposed terms of reference indicate that the select committee would inquire and report on the government’s proposal to partner the private sector to provide a high-speed national broadband network. This will include the need for government intervention in the broadband model. We do not need a detailed investigation into hypothetical barriers concocted by the opposition. But you are once again demonstrating why you lost the last election. You just think this is fun. You just think: ‘Hey, we’ve got the numbers. It doesn’t matter. We can abuse them.’ Senator Joyce, to his credit, occasionally tried to pull the former government back to reality by saying, ‘Guys, just because we’ve got the numbers—perhaps we should think about this.’ To be fair to Senator Joyce, he did attempt on a number of occasions to spell out to you the dangers of abusing the powers of the Senate, and what did he get for it? His own party is going to be wiped out. He is going to be voting himself out of existence.

So let us be clear. The critical issue is the lack of investment in national infrastructure that can deliver high-speed quality broadband services resulting from 11 long years of coalition inaction. Forty-two per cent, 32 per cent, 33 per cent: those figures should be hung round your neck, and you should be hanging your heads in shame. The stunt is nothing more than economic vandalism.

Senator Cormann interjecting—

Senator CONROY—You have compared two proposals. They are not the government’s policy.

Senator Cormann—Have a thorough read of them.

Senator CONROY—They are not the government’s policy.

Senator Cormann—It is about the impact of the government’s policy.

Senator CONROY—Oh my goodness! At least Senator Birmingham knows a little bit more about it than you. It is self-evident that without government involvement Australia will not get the timely rollout of a high-speed national broadband network that is critical to our future economic prosperity into the long term. The government has established a competitive process and offered up to $4.7 billion and the possibility of regulatory change to enable this critical investment to occur. Paragraph (1)(b) of the proposed terms of reference would require the select committee to inquire into and report on the implications of the proposed national broadband network in terms of such issues as cost, consumer choice and competition. (Time expired)

Senator O’BRIEN (Tasmania) (5.00 pm)—I want to make a couple of quick points. Firstly, I take issue with Senator Parry’s characterisation of the amendment that he moved to motion 136, which was to replace—

Senator Cormann—Foreshadowed.
Senator O’BRIEN—Rather, I take issue with Senator Parry’s characterisation of the amendment that he foreshadowed moving, which was to replace paragraph (7) of motion 136 with a duplicate of paragraph (9) of motion 137. He characterised that as a process which would allow people to nominate and allow the minor parties, Senator Fielding and Senator elect Xenophon to nominate. You only have to read the words that he has intruded to know that that does not happen. There is no intention for nominations. This is about the empowering of the opposition chair of these committees to go behind closed doors and do deals with people to get them onside and to use the deputy chair’s position as largesse. Frankly, it cannot be clearer than that. If nominations were intended, as Senator Parry suggested this provision was intended to operate, it would have talked about an election process.

It also says that the opposition chair of these select committees can do this from time to time. What that implies is that they can change their decision. That implies—and I suppose it is contestable, but they will have the numbers on the committee—that the chair can say: ‘I don’t want you to be the deputy chair anymore. I’m going to give it to someone else because you haven’t done what you were told.’ This is an extraordinary proposition, an extraordinary form of drafting, and it has been affirmed by the fact that the same words that are in motion 136 are to be included in motion 137. I do not know if that means that there is a deal between the Liberal Party and the National Party that some of the crumbs on the table that the Liberal Party will control can be handed to the National Party. I do not know if Senator Joyce or Senator Boswell have some deal to get something out of this or if there has been a closed door arrangement with some other party in the Senate.

This frankly is a pretty shabby provision. It must have been cobbled together on the run because it is drafted in such a shabby way; it was pretty hard for Senator Parry to correct the damage that was done in the original drafting. Looking at the way that it is drafted, how could you suggest that the person can be appointed from time to time and that the person is going to be there to act as the chair when there is no chair? Presumably, if there was no chair of a committee, the first step would be for the committee to elect another one. But there is no provision for that. What a shambles of a proposition! This has been cobbled together in the last couple of days of the operation of the Senate, while those opposite have the numbers and know that they can do what they like. They have not paid attention to detail; they paid so little attention that they got it wrong in the drafting of these two motions. They intended to have the same provision; they did not even do that. When they did cobble together an alternative proposition, it was the sort of shabby proposition that we now see in Senator Parry’s foreshadowed amendment.

I want to touch on one other matter very briefly. We are looking at select committees purported to be on energy and the national broadband network. Frankly, I think Senator Conroy has demolished the proposition that we need the second reference. In terms of the energy matter, I would like to draw senators’ attention to the minority reports of the Senate Standing Committee on Economics inquiry into petrol prices. Even Senator Joyce had a minority report on that inquiry. At that time we were in opposition and our minority report pointed out that although we had some time to conduct the inquiry we had 24 hours to comment on the report prepared by the government-dominated committee, as it was at that time. We responded to the government report, and I invite members of the Senate
and the public to look at the content of our report to see how genuine those opposite were in terms of presenting a proposition to the Australian people, consulting with the Senate and doing the proper inquiry thing, which is part of the justification for this inquiry.

But do not take my word for it; do not take Labor’s word for it. Have a look at comments to that inquiry of Senator Andrew Murray, the senator leaving here who was eulogised by those opposite last night. He was absolutely scathing about the way that the then government, basically the Liberal Party, ran the inquiry into petrol, in terms of the ability to have a considered report into an important issue. But now we are going to spend money and provide officers for those on the other side. That is what this is all about: providing committee chairs and allowing them to dispense largesse by a power that has been granted whilst they have the numbers. It is a pretty shabby exercise by those opposite and they should hang their heads in shame.

Senator LUNDY (Australian Capital Territory) (5.07 pm)—In respect of motion No. 137, I would like to add some comments with respect to the proposed terms of reference in relation to the national broadband network. First and foremost, I reinforce Senator Conroy’s point about this being a live tender process. That means that such a reference not only would cause the kind of conflict and trouble for participants in that tender process that Senator Conroy outlined but points to the motivation of the opposition—that this is all about a spoiling effect on that process and about sabotaging Labor’s aim to establish a national broadband network in accordance with the policy it took to the last election. The constraints placed on the participants in that tender process are very real and are being treated extremely seriously by the Rudd Labor government.

I cannot remember such a deliberate exercise in sabotaging a stated policy and course of action by a government. It is particularly telling and noteworthy that the opposition has tried to do this in the 11th minute of the eleventh hour of its unfettered powers in the Senate chamber. To persist with this motion reinforces the fact that this is an effort to sabotage a very specific commitment.

This motion contains the longest, most comprehensive terms of reference I have ever seen on broadband from the opposition, which had spent 11½ years in government struggling to grasp these issues. To come out with such comprehensive terms of reference in circumstances where it has such a sabotaging effect also exposes the stunt that this is. We never saw this degree of detail or interest in these issues from the opposition when it was in government. It is further evidence that this is just a stunt.

Finally, I want to mention the drafting of this motion. It is carefully constructed, of course, to function in the capacity of only opposition members being present and in full control. If you read the terms of reference in this motion carefully, you will see the level of manipulation in how the select committee is constructed. It tells the true story of the abuse of this place that we are seeing in this motion. It is an utter disgrace.

The ACTING DEPUTY PRESIDENT (Senator Barnett)—The question is that the amendment moved by Senator Bob Brown to replace ‘minority group’ with ‘minority party’ in motion No. 136 and motion No. 137 be agreed to.

Question agreed to.

The ACTING DEPUTY PRESIDENT—The question now is that the amendment moved by Senator Bob Brown to motion No. 136, paragraph 1, be agreed to.

Question negatived.
Senator PARRY (Tasmania) (5.11 pm)—
I move:
Motion no. 136, omit paragraph (7), substitute:

(7) That the chair of the committee may, from time to time, appoint another member of the committee to be the deputy chair of the committee, and that the member so appointed act as chair of the committee at any time when there is no chair or the chair is not present at a meeting of the committee.

Question agreed to.

Senator PARRY (Tasmania) (5.12 pm)—
I move:
Motion no. 136, paragraph (4)(c), omit “(not)”.

Question agreed to.

Question put:
That motion No. 136 (Senator Ellison’s), as amended, be agreed to.

The Senate divided. [5.17 pm]
(The President—Senator the Hon. Alan Ferguson)

AYES

Abetz, E.       Adams, J.
Allison, L.F.    Barnett, G.
Bartlett, A.J.J. Bernardi, C.
Birmingham, S.   Boswell, R.L.D.
Boyce, S.        Brandis, G.H.
Brown, B.J.      Bushby, D.C.
Chapman, H.G.P.  Colbeck, R.
Cooman, H.L.     Cormann, M.H.P.
Ellison, C.M.    Ferguson, A.B.
Fielding, S.     Fifield, M.P.
Fisher, M.J.     Heffernan, W.
Humphries, G.    Johnston, D.
Joyce, B.        Kemp, C.R.
Lightfoot, P.R.  Macdonald, I.
McGauran, J.J.   Milne, C.
Minchin, N.H.    Murray, A.J.M.
Nettle, K.       Parry, S. *
Payne, M.A.      Ronaldson, M.
Scullion, N.G.   Siewert, R.
Stott Despoja, N. Troeth, J.M.
Trood, R.B.      Watson, J.O.W.

NOES

Bishop, T.M.    Brown, C.L.
Collins, J.      Conroy, S.M.
Crossin, P.M.    Evans, C.V.
Faulkner, J.P.   Hogg, J.J.
Harley, A.       Hutchins, S.P.
Lundy, K.A.      Marshall, G.
McEwen, A.       McLucas, J.E.
Moore, C.        O’Brien, K.W.K.
Polley, H.       Sherry, N.J.
Stephens, U.     Sterle, G.
Webber, R.       Wong, P.
Wortley, D. *

PAIRS

Eggleston, A.    Ludwig, J.W.
Ferravanti-Wells, C.    Kirk, L.
Macdonald, J.A.L.    Carr, K.J.
Mason, B.J.        Campbell, G.
Nash, F.          Forshaw, M.G.

* denotes teller

Question agreed to.

Question put:
That motion No. 137 (Senator Ellison’s), as amended, be agreed to.

The Senate divided. [5.21 pm]
(The President—Senator the Hon. Alan Ferguson)

AYES

Abetz, E.       Adams, J.
Allison, L.F.    Barnett, G.
Bartlett, A.J.J. Bernardi, C.
Birmingham, S.   Boswell, R.L.D.
Boyce, S.        Brandis, G.H.
Brown, B.J.      Bushby, D.C.
Chapman, H.G.P.  Colbeck, R.
Cooman, H.L.     Cormann, M.H.P.
Ellison, C.M.    Ferguson, A.B.
Fielding, S.     Fifield, M.P.
Fisher, M.J.     Heffernan, W.
Humphries, G.    Johnston, D.
Joyce, B.        Kemp, C.R.
Lightfoot, P.R.  Macdonald, I.
McGauran, J.J.   Milne, C.
Minchin, N.H.    Murray, A.J.M.
Nettle, K.       Parry, S. *
Humphries, G. Joyce, B. Lightfoot, P.R. McGauran, I.J.J. Minchin, N.H. Nettle, K. Payne, M.A. Scullion, N.G. Stott Despoja, N. Trood, R.B.


NOES


PAIRS


* denotes teller

Question agreed to.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS AND OTHER LEGISLATION AMENDMENT (2008 BUDGET AND OTHER MEASURES) BILL 2008

Returned from the House of Representatives

Message received from the House of Representatives informing the Senate that the House has made the requested amendment.

Third Reading

Senator STEPHENS (New South Wales)—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.24 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Community Affairs Committee

Additional Information

Senator MOORE (Queensland) (5.25 pm)—I present additional information received by the Senate Standing Committee on Community Affairs relating to the following inquiries: cost of living pressures on older Australians; Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Emergency Response Consolidation) Bill 2008 [Provisions]; and Alcohol Toll Reduction Bill 2007 [2008]

Public Works Committee

Report

Senator TROETH (Victoria) (5.25 pm)—On behalf of the Parliamentary Standing Committee on Public Works, I present report No. 5 of 2008, Referrals tabled March 2008, and I move:

That the Senate take note of the report.

I seek leave to incorporate my tabling statement in Hansard.

Leave granted.

The statement read as follows—

This report addresses seven referrals made to the Committee in March 2008. Namely:

- Facilities for the Hardened and Networked Army at Edinburgh Defence Precinct, South Australia, at an estimated $623.68 million;
- Upgrades at RAAF Base Darwin, at an estimated $49.83 million;
- Developments at Robertson Barracks, Darwin, at an estimated $72.12 million;
- RAAF Tindal redevelopments at an estimated $58.7 million;

CHAMBER
In all cases, the Committee has recommended that the House resolve that the works be carried out. For two of the seven works, the Committee has made additional recommendations.

Finally, the Multi-role Helicopter facilities project highlighted concerns about residential housing development encroaching on Defence establishments and the resulting restrictions that this places on Defence activities. The Committee has recommended that the Government negotiate with relevant State, Territory and local governments to develop protocols to manage development on land surrounding Defence establishments. While the Committee understands that residential land is at a premium, it does not want essential Defence activities to be retrospectively curtailed.

Mr President, I would like to thank the Committee for its work in relation to these inquiries. The Committee was aware that several of these projects had been delays due to the prorogation of the 41st Parliament so went to great lengths to ensure they were completed by this sitting period.

Mr President, I commend the report to the Senate.

Question agreed to.

Scrutiny of Bills Committee

Senator ELLISON (Western Australia) (5.26 pm)—I present the sixth report of 2008 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 6 of 2008, dated 25 June 2008.

Ordered that the report be printed.

Senator ELLISON—I move:

That the Senate take note of the report.

I seek leave to have my tabling statement incorporated in Hansard.

Leave granted.

The statement read as follows—

In tabling the Committee’s Alert Digest No. 6 of 2008 and Sixth Report of 2008, I would like to present a bouquet and a brickbat.

The bouquet goes to the authors of the explanatory memorandum to the Great Barrier Reef Marine Park and Other Legislation Bill 2008. This bill includes numerous provisions that create offences of strict or absolute liability. In each case, the explanatory memorandum to the bill provides a justification for the imposition of strict or abso-
olute liability and demonstrates that, in framing these provisions, the architects of the bill have considered the principles outlined in the Scrutiny of Bills Committee’s Sixth Report of 2002 and the Guide to Framing Commonwealth Offences, Civil Penalties and Enforcement Powers.

The explanatory memorandum also provides a clear justification for the commencement on Proclamation of Schedules 4, 5 and 6 to the bill, and explains whether provisions advising that an instrument ‘is not a legislative instrument’ are declaratory or not.

As a result of the quality of this explanatory memorandum, despite numerous provisions falling within the Committee’s terms of reference, the Committee has only sought advice from the Minister on one aspect of the bill, namely a provision which allows regulations under the Great Barrier Reef Marine Park Act 1975, to incorporate matters as in force from time to time. The Committee has sought the Minister’s advice whether there might be some limit put on the exercise of this power.

In contrast, a large brickbat goes to the authors of the explanatory memorandum to the package of four Offshore Petroleum Amendment bills.

The main bill in this package, the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008, also includes numerous strict liability provisions. However, in this case, the explanatory memorandum is frequently silent on the rationale for imposing strict liability. As a result, the Committee has had to seek advice from the Minister about these provisions, as the explanatory memorandum does not include sufficient information to allow the Committee to make a decision about whether the imposition of strict liability appears reasonable in the circumstances.

This bill also includes numerous provisions declaring a direction, notice or instrument not to be a legislative instrument. But, unlike the explanatory memorandum to the Great Barrier Reef Marine Park and Other Legislation Bill 2008, this explanatory memorandum is silent on the nature of these provisions. This silence is despite paragraph 38 of Drafting Direction No. 3.8, issued by the Office of Parliamentary Counsel, clearly advising that:

To assist the Senate Scrutiny of Bills Committee to understand the reasons for an instrument not being a legislative instrument, you should provide some guidance to your instructors about including an appropriate explanation in the explanatory memorandum.

Among other problems, the commencement clauses in these four Offshore Petroleum bills also caused the Committee considerable consternation. These provisions commonly link commencement of provisions in these bills to the commencement of provisions in other Acts, which in turn were linked to commencement provisions in yet more Acts. For example, to ascertain when Schedule 1 to the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 is to commence, it was necessary to refer to the commencement provisions in, firstly, the Offshore Petroleum Amendment (Miscellaneous Measures) Act 2008, followed by the commencement provisions in the Offshore Petroleum Act 2006.

The explanatory memorandum was silent on the commencement provisions and provided no justification for delayed commencement or commencement on Proclamation. As a result, the Committee has had to seek the advice of the Minister as to exactly when the provisions of these bills are expected to commence and why this information has not been included in the explanatory memorandum.

The Scrutiny of Bills Committee places considerable reliance on explanatory memoranda in determining whether or not provisions in bills raise concerns within its terms of reference. If the explanatory memoranda are lacking, then the Committee must seek additional advice from Ministers, creating additional work for all concerned.

It is disappointing that, despite the Office of Parliamentary Counsel Drafting Directions clearly articulating the requirements of the Scrutiny of Bills Committee in relation to many of these matters, explanatory memoranda of such poor quality continue to be presented to the Parliament.

I commend the Committee’s Sixth Report of 2008 and Alert Digest No. 6 of 2008 to the Senate.

Question agreed to.
Senators’ Interests Committee

Report

Senator JOHNSTON (Western Australia) (5.27 pm)—On behalf of the Senate Standing Committee of Senators’ Interests and in accordance with the Senate resolution of 17 March 1994 on the declaration of senators’ interests, I present the Register of Senators’ Interests, incorporating statements of registrable interests and notifications of alterations of interests of senators lodged between 8 December 2007 and 23 June 2008.

BUDGET

Consideration by Estimates Committees

Report

Senator WORTLEY (South Australia) (5.27 pm)—On behalf of the Chair of the Senate Standing Committee on Rural and Regional Affairs and Transport, Senator Sterle, I present the report of the committee on the 2008-09 budget estimates, together with the Hansard record of proceedings and documents received by the committee.

Ordered that the report be printed.

COMMITTEES

Intelligence and Security Committee

Report

Senator WORTLEY (South Australia) (5.27 pm)—I present the report of the Parliamentary Joint Committee on Intelligence and Security, Review of the re-listing of the Kurdistan Workers’ Party (PKK), and I move:

That the Senate take note of the report.
I seek leave to have the tabling statement incorporated in Hansard.

Leave granted.

The statement read as follows—

Mr President, on behalf of the Parliamentary Joint Committee on Intelligence and Security I have pleasure in presenting the Committee’s report entitled Review of the Re-listing of the Kurdistan Workers’ Party (PKK). This organisation is also known as the People’s Congress of Kurdistan, Kongra-Gel, KADEK, Kongra-Gele Kurdistan, the New PKK, Kurdistan Labor Party, Kurdish Freedom Falcons, TAK, Kurdistan Freedom and Democracy Congress, Kurdish Liberation Hawks and KHK.

Mr President, the PKK was originally listed in 2006. On 18 September 2007, the Attorney-General advised the Committee that he had decided to relist the Kurdistan Workers’ Party (PKK) as a terrorist organisation for the purposes of section 102.1 of the Criminal Code Act 1995. Following the election the regulation was tabled in the House of Representatives on 12 February 2008 and in the Senate on 12 February 2008.

The original disallowance period of 15 sitting days for the Committee’s review of the listing began from the date of the tabling. Therefore, the Committee was required to report to the Parliament by 20 March 2008.

The Committee in the 42nd Parliament first met on 13 March 2008 and, Senators will understand, it was therefore not possible to meet this deadline.

Notice of the inquiry was placed on the Committee’s website. Three submissions were received from the public. The Committee wrote to all Premiers and Chief Ministers inviting submissions. No submissions were received from the States or Territories objecting to the re-listing.

Representatives of the Attorney-General’s Department, ASIO and the Department of Foreign Affairs and Trade attended a private hearing on the listings.

The Committee heard from ASIO that the PKK maintains its capacity to undertake significant terrorist attacks. The PKK continues to commit attacks against civilians and tourists in Turkey despite periodic ceasefires. These attacks are committed with the intention of advancing the rights of Kurds living in Turkey and are committed to coerce the Government of Turkey and terrorise sections of the public. There is no reason to believe the PKK has relinquished this capability.
In view of this the Committee will not recommend to the Parliament that the regulation be disallowed.

Mr President, I commend the report to the House.

Question agreed to.

MINISTERIAL STATEMENTS

Aviation Training Package

Helping Older Australians Enjoy the Movies: Accessible Cinema

60th Anniversary of the Pharmaceutical Benefits Scheme

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.28 pm)—I present three ministerial statements relating to: the aviation training package; helping older Australians enjoy the movies—accessible cinema; and the 60th anniversary of the Pharmaceutical Benefits Scheme.

DOCUMENTS

Register of Senate Senior Executive Officers’ Interests

The PRESIDENT—I present the Register of Senate Senior Executive Officers’ Interests, incorporating notifications of alterations of interests of senior executive officers lodged between 8 December 2007 and 23 June 2008.

AUDITOR-GENERAL’S REPORTS

Report No. 44 of 2007-08

The PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Audit report No. 44 of 2007-08: Performance audit: interim phase of the audit of financial statements of general government sector agencies for the year ending 30 June 2008.

VALEDICTORIES

Senator STOTT DESPOJA (South Australia) (5.30 pm)—Thank you, Mr President—fellow South Australian and, of course, friend. Thank you also for your kind words to all of us at the dinner that you hosted for retiring senators last week. It is heart-warming to see so many friends and family in the galleries today, and I acknowledge the members of the House of Representatives. Thank you for honouring me and my colleagues with your presence.

When I first set ‘Doc’ in this chamber on November 30 1995 there was a lot less diversity than there is today. I said in my first speech that my aim was to bring about change, and I am proud of the modest role that my party and I have played in bringing that change about, in changing the parliament into what it is today, in some small part, with a relatively younger demographic and more women.

At the time of my swearing in I was a little surprised that the media went on and on about those Docs, which I wore simply for comfort and convenience. But perhaps that was the media’s way of recognising change without having to endow the slip of the girl that they thought I was with too much significance. Perhaps the media needed to change as much as the diversity of the chamber, for we do not have true democracy without true representation. The Democrats have always recognised that, and we have created history with the people we have elected to this parliament and the people we have chosen to lead us—women, young people, different cultures, different backgrounds, Indigenous, different sexualities. I said in my first speech—and yes, Mr President, I do remember it well—on being the youngest woman ever elected to a federal parliament:

It is an honour that I cherish but for no longer than it takes other young women to be chosen by
an electorate that has shown it wants true representation of all sectors of our population. I look forward to the day when I look across this chamber from my seat and see such a diversity of faces—young people, old people, different ages, men and women, and the many cultures that make up our nation, including indigenous cultures—that we no longer have to strive for it. When that time comes I think we will accept that neither youth nor age, any more than being male or female, black or white, is a virtue in itself, except that it deserves to be represented in a system that claims to be representative.

Well, Mr President, almost 13 years later my record is almost broken by Senator-elect Sarah Hanson-Young from our home state of South Australia. I wish her well and hope she does not have to endure the unimaginative headlines and endless comparisons that she has complained about—I have to admit, the ‘green Natasha’ does make her sound like an alien. But I wish her well. I hope that my experiences and the changes that have taken place, and the experiences of others in this place, ensure that she has an easier ride, and for those who follow her as well. I wonder if Sarah’s entry into parliament represents a new milestone, or is it still the non-mainstream parties that are nudging at the predominantly male and middle-aged political status quo, when women’s role in public life and politics can still be determined or defined—is often defined—in terms of our age, our appearance, our marital status and, yes, even our parental status?

I acknowledge tonight all my colleagues who depart with me and I pay tribute to them, but in particular the five female senators who leave with me. They have all played a particular role in advancing the policy interests of Australian women—and I include in that, of course, the late Jeannie Ferris, who was due to retire with us at this time. I worry that the clock will turn back on some of our hard-won gains, including reproductive rights, and I urge the Senate to maintain its vigilance. I have actually been at my happiest in this place when women of the chamber have worked together in united policy interests—the cross-party camaraderie of RU486, my pregnancy counselling legislation, foreign aid funding or stem cell legislation.

It is 106 years since women obtained the right to vote and stand for parliament, and yet look at the numbers. Women comprise less than a third of the federal parliament. We have such a long way to go still. That does not compare favourably with parliaments across the world. It is still inadequate by any measure, because critical mass does make a difference. Greater or equal numbers of women make a difference to policy and ultimately lead to decision making that better reflects the needs and concerns of women in this country.

Despite the public’s view of politicians as warring or involved in gladiatorial question time debates, this chamber is sometimes a very happy place, with many instances of cooperation. I think of the joy expressed when the best kind of, say, Indigenous legislation passes this place. It is also a sad place, showing deep concern across party lines for senators in sickness and with other problems; it is also a sad place when bad legislation is passed with guillotines and other spurious strategies.

This could be a better place by having more diversity of cultures, and I include here the deaf culture. I have seen captions arrive for question time on broadcast television, as I hoped for in my first speech. It could also be a better place by the parliament being more family friendly in its hours and amenities. You may notice Mandy Dolesji, an Auslan interpreter, signing my speech tonight. This is commonplace in some parliaments across the world, and I hope before too long that it is here as well. But for tonight, at least, the parliament is a little more
accessible to members of the deaf culture in our nation, who are as worthy of respect as any other culture in Australia. Many of you know of my interest in interests affecting deaf and hearing impaired Australians, hence my private member’s bill on captioning and the establishment of a captions inquiry. Thank you, Senator Coonan.

I have lived through great dramas in this chamber and in the political life of this nation, including the heart-breaking challenge of giving a condolence for September 11 victims and the debate, due to the Democrats’ insistence, about the government’s decision to deploy troops to Iraq, or indeed the dark, dark days of the Tampa, to which the Democrats responded with alacrity, including with an urgency motion, and of course steadfast opposition to the subsequent migration laws. The images of refugees in Woomera with their lips sewn together will forever haunt me.

Not the least of these dramas has been the drama of my own party, whose demise has done no-one any good. It has simply taken away a choice from the voters that they wanted maintained for 31 years. The narrative of our days here has many versions. It is not my intention to offer one tonight, as it would only lead to contention. Instead, I prefer to focus tonight on the achievements we can all be proud of. From the day when Don Chipp planned the party until today, when this last quartet of senators marks its departure having worked to the last minute to serve the public and the ideals of the party—and the four of us have been working to the last minute, as you may have noticed—we have achieved a great deal.

We have changed the political landscape for the better, transforming the Senate, as we like to think, from a house of the living dead to a genuine house of review. We have injected accountability into policy and processes. We have made elections more transparent. We have reformed the committee system for the better. For more than three decades, we have been Australia’s third-party insurance, a slogan I have often liked—and I see those clever minds at *The Gruen Transfer* also adopted it for one of the two advertisements that they put forward. I have to say though I liked their other slogan too: as long as Canberra has bastards, you need the Australian Democrats; let’s make bastards history. Actually I think you really need to say ‘let’s make bastards history’ in a Don Chipp voice. It reminds me of footage of Don in the aftermath of the logging of the Daintree when he said, ‘Those mindless bloody vandals.’ We did play a pivotal role in saving the Franklin as well. But we have always been straight talkers and we have often liked a bit of a spicy slogan—give a damn, keep them honest. But one of my favourite cartoons is actually of me as leader pledging to ‘keep the, er, naughty people honest’.

But our commitment to accountability and democracy is only matched by our efforts at good policy. Don Chipp got to see his small party do big things, despite the fact that some, including the media, were never really in love with the presence of a third party and, when its absence loomed, mostly gave no more profound thought to the matter than they had when the party had considerable support. They had certain cliches that rang down the years and which were applied no matter what the occasion. They claimed that the party did not know what it stood for or what it believed in, and yet people in their thousands not only voted for the Democrats but consistently, you could say relentlessly, sought us out for assistance when cracks appeared in the national facade, when they felt no pride in what the government was doing. I think of refugees in particular or threats to our liberties through the suspension of rights and the casual treatment of our environment,
which we believe characterised both major parties until recently. Most Australians did know what the Democrats stood for. And then there were the accusations that we were too far to the right or too far to the left—glib accusations that saved some the trouble of thinking that a third or even a fourth party might be extremely valuable to the nation’s deliberations.

I wish remaining crossbench colleagues well, but the legislative expertise of the Democrats is a pretty tough one to follow. Among the four of us, we have 47 years of legislative expertise. I have seen 69 senators come and go in this place since I have been here. I have been most at home here when I have been debating, scrutinising or analysing laws, and I have been most infuriated when this chamber’s processes are undermined or curtailed. I have enjoyed the chance to amend laws more than a hundred times or so, but I have especially enjoyed policy formulation in the areas that I covered—genetics, constitutional change, human rights, social justice, work and family, and deafness issues. My not-so-secret passion of course has been space and science issues, ranging from the debate about the patenting of genes and gene sequences to establishing a Senate inquiry into space, regulating biotechnology, enshrining—and it only took eight years to do it—genetic privacy in law, and of course I am still trying to ensure the prohibition of genetic discrimination. The US congress did it in March after 13 years. My private member’s bill has been on the table for 10 years, so I urge the government to adopt it at some point. But it has been really fun, good, nerdy stuff.

Mr President, you know how I have relished my time on what was your committee, the Joint Standing Committee on Foreign Affairs Defence and Trade. In particular I would argue that the Democrats’ support for and advocacy of human rights, especially in places like Burma, West Papua, Tibet and Timor, is in many cases second to none. But my first committee was the Senate Standing Committee on Employment, Education and Training and it is the same committee that I attended my last meeting of yesterday—and I thank the secretariat and the chair for toasted sandwiches as a tribute.

My belief in publicly funded and accessible education was the catalyst for my political involvement and I have enjoyed legislating in those areas and hopefully making a real difference, whether it was income support legislation, making income support more available to farming families and to younger people, initiating inquiries into the higher education sector, the first Senate inquiry to focus solely on student income support, or even negotiating the Backing Australia’s Ability package with the former government when the ALP decided to oppose it. However, the education sector has suffered under successive governments. Whether it is the introduction of voluntary student unionism, the lack of indexation for universities’ grants, the meagre income support and increased fees and charges, or the blackmail over industrial relations conditions and unprecedented interference in academic autonomy, all of these changes have impacted most on those who are traditionally disadvantaged and have also undone the work of generations of people and advocates for education predicated on equal access. I will never resile from the principle that education should be publicly funded and accessible to all—and, if I stand for anything, it is for that.

Many of you in this place are friends—family friends and many dear, dear friends. On many occasions, Ian and I have been heartened and I think overwhelmed by incredible shows of goodwill, especially when Cordelia and Conrad were born. Beautiful baby gifts and flowers came from all sides of the chamber—native flowers of course from
my Green colleagues. The point that I make is that many of you have been a part of many happy and sometimes more difficult personal moments in my life during my time in the Senate—as have my staff.

It has been exciting to give some people their first taste of politics as well as to benefit from the expertise—the extraordinary skills and specialist knowledge—of people who have been interested in human rights and social justice, and being able to do so by having them on my staff. Like everyone in this place, I have had many wonderful, loyal, clever, committed and extraordinary staff. I acknowledge some in the gallery today: Rebecca Smith, Richard Denniss, Jill Manning, Daele Healy and Kirsty McKenzie. There are too many to mention, but I will acknowledge my current team, of course: Dr Heidi Knee-bone, Mat Tinkler, Jane Hockley, Emily Johnson, Raina Hunter, of course, and Ragnhild Duske; and volunteers Craig Bossie, Rosemary Drabsch and, of course, Bryden Spurling. Many staff have contributed to my time in this place—volunteers and interns, part time and full time.

Thank you to those who make our work possible in this place: attendants, Comcar drivers, Hansard, security, cleaners, the catering staff and the clerks—the wonderful clerks. How many hundreds of amendments have you written for me? You have helped me to prepare 24 private member’s bills, in an attempt to bring forward ideas and make them into achievable policy. I also thank the Black Rod’s office and many, many others in this place—and please forgive me should I forget anyone.

I acknowledge my family in the gallery, of course: Jenny and Greg Stott; Frank and Florence Stott; of course, my mother, Shirley Stott Despoja; Ian, my husband; my children, Conrad and Cordelia—‘hi’; my godchild Sebastian; two godparents of my children, Craig Chung and Melissa McEwen; and Lori, thank you for helping me balance this work-life collision, as it is called by Professor Barbara Pocock—another former staff member, I might add. There is no truth in the rumour that Conrad is named after ‘conservative plus radical’. That is Nick Bolkus causing rumours. But I do not think that compares to Nick Minchin’s cute nickname for my children: CO1 and CO2. In fact, the last time Conrad was here was for the opening of parliament, when he yelled out, ‘I love you, Kevin Rudd.’ But do not get too cocky, Labor Party, because he has done that too to John Howard. I like to think that he is a very loving child with a due respect for authority and high office. Cordelia, as you know, was in here this morning, inadvertently voting on the family and community services legislation.

Honourable senator interjecting—

Senator STOTT DESPOJA—Indeed. Of course, she did. My decision to leave—it is an empowering one—is to spend more time with my family during these crucial years. This should not be interpreted as sending a message that motherhood and politics cannot be combined. That is not my message to women. It is possible, it is necessary and we cannot afford to lose that talent pool. If you believe in working families—and, let us face it, all families work more or less, and then there are the very young and the very old who are not working—you have to support them. There is a greater role for policymakers, for government, for industry and, of course, for parliaments to play.

I think we send one of the worst messages of all in that we work in a building with 3,500 staff and we have no childcare facilities. We must implement a suite of reforms that will assist workers and their families, whether it is the right to return to work; flexible and part-time work after having a
child; breastfeeding breaks; quality child care that is affordable and accessible; and paid maternity leave, of course. But I do take great heart in this coalescence of support around the model that I, on behalf of the Democrats, tabled in this place in 2002. I do hope that we will see in the next year a real commitment to and the implementation of paid maternity leave.

Finally, I would like to thank the members of the Democrats, the supporters in my party and the people who voted for the Democrats. I see many members in the gallery. I see two former presidents, Matthew Baird as well as Liz Oss-Emer, and I am sure there are others. I thank them for the opportunity to represent and, indeed, to lead my party. I will always trust the members, and that is my message to any future Democrat representatives. I thank the people of our home state, South Australia, for the privilege of serving them for almost 13 years. I leave here as the Australian Democrats' longest ever serving senator. That too is an honour I cherish, but it is also one that I wish to see broken. But, Mr President, who can predict what the future holds? Thank you.

Senator BARTLETT (Queensland) (5.50 pm)—This formal valedictory speech is probably the most difficult speech that I have ever had to make during my time in the Senate. Even though I have given many, many speeches, probably more than some would have liked to have heard, I consider this more a valedictory for the Democrats as a whole than for me. So, even if I had four hours to speak—do not panic; I shall not attempt to—it would still be impossible to do proper justice to the incredible story, the enormous efforts and the many, many achievements of the Democrats and the thousands of people who have been part of that journey over the last 30 or so years. To try to do so in 20 or so minutes is not only daunting but, I think, almost impossible. However, I shall try my best.

As the longest serving and, quite possibly, final Democrat senator from Queensland, I do apologise in advance if my comments are too Queensland-centric. I do at the outset acknowledge the immeasurable positive contribution made by literally countless Democrat members, staff, supporters and parliamentarians from all states and territories during that period. I also acknowledge the efforts and achievements of all the other senators departing at this time. I sincerely wish them well, and I deeply and sincerely thank the many other people who contribute to making the Senate the crucial mechanism that it is for legislative consideration, public engagement and a check on what can otherwise sometimes be the unfettered power of the executive, the government of the day: the clerks, the staff of Senate committees, the attendants, the drivers, the public servants—everyone who assists us in doing our job, which is both an enormous privilege and an incredible responsibility. In a normal valedictory, I would acknowledge the contribution of others more fully. But, as I say, this is not a normal one and so I will do that in other circumstances and contexts.

I joined the Australian Democrats back in 1989, attracted, above all, by their ethos of recognising the importance of participation and the importance and value of encouraging everybody to try and contribute not just within the party but within our community and the electorate. Within 12 months, I found myself a junior member of the state executive of the party in Queensland and, on 1 July 1990, almost exactly 18 years ago, I was a part-time member of Cheryl Kernot's staff on her first day as a Democrats senator. What was initially meant to be a temporary appointment did not turn out that way and, somehow or other, from that day 18 years ago onwards, my life has been almost com-
pletely immersed in the Senate and in the Democrats. I was 25 years old at the time. I am a little bit greyer now—partly because I dyed my hair even when I was 25 but stopped somewhere along the way!

Unlike my fellow departing Democrats senators here today, throughout that time I have been heavily involved continually not just in the parliamentary wing but also in the organisational wing—what is sometimes unkindly called a party hack. But, as Senator Minchin often rightly notes, that is an important role that perhaps deserves a higher reputation than it is sometimes given. I would say that, I guess! Since that time I have not only been engaged with the Senate almost continuously but also held one position or another on both the governing body of the Queensland Democrats and the national executive over most of those 18 years.

I have known the Democrats and the Senate, indeed, longer than I have known my wife, who I met through Democrat activity. I married her over 11 years ago, both of us unaware that less than 12 months later, in rather unanticipated circumstances—as people may recall—I shifted from Senate staffer to senator, almost literally overnight. Both she and my mother were present when I gave my first speech on 11 November 1997, and I am pleased that they are both here again now. In my first speech, I thanked Julie for her love, her patience, her support, her kindness and her forgiveness; she has had to forgive me for a fair bit more since then, I must say, and I am pleased that she is able to be here today.

I am even more pleased that there is someone here who has appeared since then, our beloved and truly delightful daughter, Lilith. I am thrilled that she is here now and blessed to have her as part of my life. As all of us here would know, our devotion to our duties as senators means that our children, where we have them, pay a price. But I can assure her that the price she has had to pay has certainly been to the benefit of the wider community, because she has provided to me extra enlightenment, a greater understanding and a capacity to open my heart that has made me a far better politician and legislator. So her loss has definitely been the public’s gain, even if they may not fully appreciate it. She was born during the 2001 federal election campaign and, virtually from her first days, I have had to live with the fact, and always will, that, even when she was five days old, during that election campaign she managed to get more publicity than I did. Some may recall a famous photo that the then leader, Senator Stott Despoja, had in that campaign, looking what I might politely call alarmed, holding a baby—that was Lilith. She managed to be either on the front page or on a page inside in that photograph for pretty much a week straight, whilst I struggled to get a single sentence reported anywhere in the paper. But we all know those frustrations.

I do want to particularly acknowledge the work of my Queensland predecessors: Senators Michael Macklin, Cheryl Kernot, John Woodley and John Cherry. Indeed, the seat I relinquish today traces directly back to Michael Macklin and the 1980 election. It is a source of great disappointment to me, and a source of some concern, that that seat is no longer a Democrats seat. It is not just that Queensland no longer has a Democrats presence in the Senate, but that we have nobody from outside the major parties representing Queensland in the Senate for the first time since 1980. That also applies in New South Wales. That is not to say that the Democrats or minor parties are always better than the major parties. But I think the loss of diversity and of that opportunity to raise different perspectives—which, at times, is not so easy for people in the major parties to raise or to give
the focus that those perspectives might merit— is a real problem. In saying that, of course, it is what the people of Queensland voted for. But it is a consequence that I think people need to be conscious of in trying to make sure that some of those issues which would not otherwise be raised still get put on the agenda.

Indeed, when one looks back at the contributions of one’s predecessors, back in the nineties, the eighties and even the late seventies, one can be struck—sometimes with amazement, sometimes in quite a depressing way—with how much things sometimes remain the same. To read Democrats senators in the eighties urging attention to be given to the unacceptable gap in life expectancy between Aboriginal Australians, including children, and other Australians, and to see literally no improvement over that time is disappointing. To see the continuing calls for better human rights made over 20 years ago by my predecessor, Michael Macklin, in China, for example, and in many other areas around the world, and to see that we are still fighting those battles—the calls for disarmament, the calls the Democrats made from our first days for greater attention to be given to developing renewable energy and alternative fuel options—and to have made in some ways so little progress since that time is not as uplifting as it might otherwise be.

But it is also important to acknowledge the progress that has been made and to take credit, on behalf of the Democrats, for our role in that progress in some of those areas I have mentioned, as well as many others. We have moved forward. We have undoubtedly moved forward in regard to accountability, fairer electoral laws and transparency. At the time the Democrats started we were the sole voice in this parliament not recognising the Indonesian occupation of East Timor, and were a lone voice for a long time in the parliamentary arena. That is obviously an area where significant progress has been made but where—as always should be acknowledged—more needs to be done.

Our role in speaking out on issues that are not popular is one that is crucial to a democracy. The continuing and deliberate focus of so many Democrat senators on what are sometimes unfairly portrayed as marginal issues just because they do not fit into the dominant political narrative of the day is crucial. It is precisely when people are not seen as vital to the immediate interests of the major parties or vital to a newsworthy story for the mainstream media that they do need a voice. I am proud to note our continuing role in this. From the earliest days, we strongly spoke out about the need to fight against discrimination against gays and lesbians, for example. We continue to talk about the importance of basic human rights, of getting the balance right. We were successful in strengthening the laws protecting our environment. They certainly need to go further, but, from our role in the early days of the eighties in pioneering the first World Heritage protection legislation through to the late nineties, with significant expansion in the environmental powers at Commonwealth level, there are things that we can and should be proud of.

Above all, I think our legacy is the role we have played in the Senate itself. The very fact that the Senate is seen as such a significant chamber, such a crucial check on the government of the day, is one of the major achievements of the Democrats. It is something that all parties now need to recognise, or do recognise, and must ensure lives on. Whilst the Democrats’ time may have ended for now, the Senate’s role is more important than ever, and that is a legacy that we bequeath to all of those that come after us, particularly those that sit on the crossbenches here. I certainly wish the Greens well in their role here. Whilst they have a right to be
proud at having reached the level of five senators, it is important to emphasise that the number of people on the crossbenches here in the Senate, which will be seven after 1 July, is actually at a level that is lower than it has been for more than 20 years. And that means a pretty big workload in terms of trying to provide that alternative perspective on all those committees and all those different issues. It also means that there is an extra responsibility on people in the community to make sure that those issues are put forward and heard, because it is not just up to the politicians.

To me, that has been another key part of the Democrats’ legacy—to emphasise that, however fabulous the current representation in the parliament may be, there is so much to tap into out in the wider community. To me, by far the best thing about the enormous privilege of being in the Senate is the amazing people you get to meet, not so much around here—although you’re not too bad!—but the everyday Australians you meet who just go about trying to improve their world, improve things for others, improve the environment and make a difference in all sorts of different ways. We can all learn from them much more than we do. I am not saying we ignore them—we certainly do not—but I think we need to tap in much more to that expertise and that energy that is out there in the wider community, because that is the way to make the parliament work at its absolute maximum effectiveness.

The other aspect that the Democrats have been successful in that I think needs to be acknowledged—and it has in some ways made our life more difficult—is that we have blazed a trail for other smaller parties. When the Queensland Senate team ran for the first time in 1977, there were seven groups on that Senate ballot paper. Last time around, when I was unsuccessful, there were 24. There is a lot more competition out there. That makes it a bit more difficult, but I actually think it is a good thing. More diversity, more choice, for people is good, and the opportunity for people to have their voices heard through the democratic process is important.

I want to particularly note the significant contribution of Michael Macklin, the founding member in Queensland, and Cheryl Ker-not. Obviously it was not helpful for the party when she resigned, but she cannot be blamed for what happened from then on. I think a lot of people have forgotten just how effective she was as a Democrat in this chamber, just how good a communicator she was and what an impact she had on a lot of issues that still have her legacy today—the area of superannuation, just to pick one.

Apart from the issues I have already mentioned where I believe the Democrats have had a great role, I want to emphasise the area of multiculturalism and immigration, which has been probably the biggest focus of my time in this chamber. The experience I have had in working with people in the community who did not support the approach taken by the former government—broadly speaking, supported by the opposition—towards refugees and asylum seekers is one of the most inspiring that I have had. I am talking about thousands of Australians who simply wanted to express an alternative view and to convince other Australians that there was a better way, that the way that things were being done was too extreme and too harmful.

I want to particularly mention one person, named Ali Sarwari, who was recognised as a refugee here and was living in Melbourne. I met his daughter, Sakina, and his wife on one of the times I went to Nauru. I do not know why, but it never leaves me, having to hear his daughter ask why she could not see her father and hear them continually talking about the pressure for them to be sent back to
Afghanistan. They were treated as being separate from Ali. Even though their father and husband was seen as a refugee, they were not seen as refugees. They were imprisoned on Nauru for over two years, along with so many other children that I met when I was there. That one girl sticks out in my mind particularly. That man had to live here knowing his family were being pressured every day to go back to the horror that he had fled and knowing that his daughter was there wondering why they could not be together. He had to leave and go to settle in New Zealand for that family to be reunited.

That was a direct consequence of the temporary protection visa legislation passed by this chamber in 1999. That to me was an example, probably the starkest example, of a policy that was deliberately designed—consciously, specifically—to cause harm to innocent people. It sure as hell did. It did not deter boat arrivals, I might say, but it sure as hell caused a lot of harm. I know it is a complex issue, asylum seekers, and that needs to be acknowledged, but I would never want to see us again passing a law that so deliberately causes harm to vulnerable people, particularly children.

Let us not forget in this chamber the many children and others we locked up behind razor wire for years. Our government, on our behalf, even took court action and fought an appeal all the way through the courts to stop people in detention from getting access to mental health treatment, despite clear psychiatric diagnoses. It is unthinkable now, but it is true. I never want to forget that, even though it is distressing, because I do not want that sort of thing to happen again. It may be in another policy area from refugees and migrants, but that sort of thing should not happen again. There has always got to be a better way than doing that.

I say that not particularly to criticise—although, obviously I have many times—the past government and the former opposition for their positions, but to emphasise that it was politically rewarded by the Australian people. The Australian people validated and accepted that. As an Australian, I think we collectively have to take responsibility. We must acknowledge that that was done, ask ourselves why, ask ourselves if there is a better way and try to stop that happening again.

I particularly remember Ali Sarwari because, even more tragically, when he finally got freedom in New Zealand and settled with his family, he was killed in a car accident. Life is not funny. Life is a bitch sometimes and it is strange how things work out. People like that should not be forgotten.

I want to finish by acknowledging the members of the party again. More than any other party, the Democrats sought to recognise the value of enabling members to contribute on key decisions. That was sometimes mocked. It still is and probably will be for a long time to come, but it is a process now adopted by many other parties in other countries. Whilst these things always have to be done with appropriate balance, it is a simple ethos that everybody has a valuable contribution to make. All of us in this place know that we could not have got here without our party members supporting the party selflessly and loyally, along with the staff that worked for us.

As always, it is very dangerous to single people out. I want to especially acknowledge those who have been members of the party through a very tumultuous 30-year history. We had a number of upheavals over our time, not just the more recent ones from five or six years ago. Some people stuck through all of that, and they need to be acknowledged. They stuck through it not because of
blind loyalty to the party but because of a belief in what the party can achieve. Because they have been around that long, they would know one of Don Chipp’s slogans, not the famous one about keeping the bastards honest, but the slogan: ‘You can change the world.’ We all can change the world; they did, in big ways, and I thank them for that.

I want to especially single out—and I know it is dangerous to do this—Fay Lawrence, who is in the gallery today, as she was in my first speech, and her partner, Bob. I think she is the ultimate loyal Democrat. She did it all because of the commitment to changing the world. I thank her for doing that and perhaps using me as a symbol of the many thousands who also played that role, large and small—and I thank them all.

I want to thank my staff as well. I have had a lot over the years—so, again, singling them out is dangerous—but I have to particularly thank Tracee McPate, who has been there from day one and is here right at the end. She was a great help. Again, as all of us in this chamber know, none of us could manage to perform our role without the skills, loyalty and support of staff. I also want to acknowledge the team that I had around me when I was leader of the party. Because of the circumstances at the time, I was not able to properly acknowledge their contribution, but they were a great team who made a great contribution not just to the party but to the parliament and the people of Australia. I acknowledge them and the team I have had since then. There have been some difficult times, as we all know, and the fact that they have stuck through that is something that I wish to pay tribute to.

I think it is time to acknowledge that the Democrats catchcry of ‘keeping the bastards honest’ was a blessing but sometimes also a curse. It is certainly well-known; it is probably the best known slogan in Australian political history in some ways. In many ways, it will always define the party, but in some ways it also unfairly confines it. We did a lot more than that. When you boil it all down, one of our greatest achievements has been to bequeath that concept to the greater body politic. To some extent, as we leave this chamber for the final time, at least in our current incarnation, that concept will live on—that desire for greater honesty, greater transparency and greater effectiveness. People getting a better deal out of our politicians and our political process is something that we, and also those of us out in the wider community, can all take on board.

One other thing that we would always emphasise is that you cannot expect politicians to deliver everything. We cannot all sit back out in the wider community and leave it to the politicians and the political parties. I am about to leave this chamber and go out into the wider community. One thing I intend to focus on more than anything else is to remind people throughout the wider community that they can make a difference. Pitch in and have your say. I know all of us across this chamber, and in all the political parties, usually do like to know what people think. The more people make their views known and the more they contribute, the more positive impact they can have on making our wonderful country an even better place.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (6.13 pm)—Senator Bartlett stole my opening line, which is that this is probably one of the most difficult speeches I will have made in this place. It is the end of a 31-year long era, and I desperately wish that I was handing my seat over to the next generation of Democrats senators rather than standing here, the last of our parliamentary leaders in the Senate, turning out the proverbial lights.
To the Australian Democrats, the party executive, our founders, the Chipp family, former senators, the members and supporters, many of whom are here tonight, and the people of Victoria: thank you for the very great privilege of serving in the most important legislature in the country. The Senate fills me with pride and I will go on being its ardent advocate for a very long time.

I am enormously pleased that my family is here today. My mother, Joyce; my sister, Barbara; my partner, Peter; my brother, David, and his partner, Liz; and my niece, Beth: thank you so much for coming—it has been really important. I promise to make up for 12 years of neglect. Thank you for your support and for coming with me on this ride of a lifetime.

When I entered the Senate in 1996, I could not possibly have imagined what was in store. I did not know how important the work of committees would be, how their inquiries would so consume my time and energy, how they would so effectively expose the shortcomings in services and policy, or that they would often have great influence on government decision making.

I have been indulged by my party room, committee chairs and senators across the board in agreeing to the many references to inquiries I put up over 12 years—about 10 of which I chaired. I want to say thanks for the enormous amount of time, travelling and effort that other senators in this place have given to issues that were not necessarily high on their political agenda but certainly were on mine.

Committee inquiries have been an education no university could offer. I know a great deal more about superannuation, the electoral system, tax, the fuel sector, health economics, uranium mining, mental illness, water management, the science of climate change, the complexities of teaching kids with learning disabilities and aid programs—and they are just some. Just today the report of the sexualisation of children inquiry was tabled and, again, I thank those who joined with me in that committee. It was a very good inquiry, like so many others in this place, and it was a privilege. The Senate committee system means that horizons are expanded, and hearts and minds are changed when people here are confronted with the evidence.

Most negotiation in the Senate is done outside the chamber but on rare occasions a minister can be persuaded by the arguments and amendments agreed on the floor. It is rare, I acknowledge, but I want to pay tribute to one minister who did that most effectively here—that was Senator Robert Hill.

I think it is tragic that the public we serve judges us, and judges us harshly, by the dog-fights and the sham that passes for question time—mostly in the House of Representatives, not here—when collaboration and negotiation is what the Senate is good at, particularly when neither major party has the numbers. In 1996, I could not know that I would negotiate hundreds of amendments, spend days in the chamber on a single bill and take decisions that were politically risky.

I will not forget the experience of being in the parliament during dark and defining moments in our political history like 9-11, the attack on Iraq, the threat of terrorism and the Bali bombings, the unravelling of native title, Tampa and children overboard. For all the power bestowed on us as parliamentarians, at these times, the powerlessness was profound.

I did not expect that colleagues—all from other states and almost strangers at the start—would go on to mean so much to me. I could not have anticipated the unforgettable experiences: the rudimentary earth floor birthing facilities in remote Thailand; our
women-centred aid programs in distant provinces of Vietnam; a meeting with the delightful King of Jordan; and the visit in the dead of night to refugee camps in Western Sahara in the desert of Algeria, where people have lived for more than 30 years through endless dust storms and 48-degree heat on a daily basis. To see whole villages reduced to concrete rubble in Lebanon just weeks after it was attacked by Israel, to fly over offshore wind farms in Denmark, to don a headscarf and long black cloak to be driven at breakneck speed through crowded Iranian cities and to visit Timor not long after the bloodbath that followed the referendum were some of my Senate delegation experiences that will live with me for a long time.

I gained an intimate knowledge of sewage works in our Senate water inquiry. I was shocked by the high-security ward at a women’s prison in Brisbane holding women with serious mental illness. I came to understand some of the complex problems of schooling in remote Indigenous communities and saw the very best and those that were below Third World standard. I stood in the now filled-in decline at the Jabiluka would-be uranium mine and the rock cavern underneath Botany Bay that is now filled with LPG.

I thank my colleagues Senators Bartlett, Stott Despoja and Murray for a very smooth ride for the last three years and thank them and the six other Democrats senators with whom I have worked for their intelligence, hard work and commitment to the principles of the party and more—I have learned a great deal from them all. We went through some very bad times as political relationships go, and I am relieved that professionalism and goodwill has mostly healed the wounds.

Thank you to colleagues on all sides of the Senate—more than a few of you would be ideologically better placed with the Democrats; others would not. But, with a few exceptions, the more you get to know people the more you find in common.

A special thanks to the women here for their sisterhood in an environment still dominated by men. Women should be outraged that the most competent women in this place have been discarded or just overlooked because of factional deals. The collaboration over reproductive health like the history-making RU486 bill showed us what is possible, and I wish we had done more. I like working with women. Their egos do not get in the way of a good campaign so much but often parties do in my experience.

I would like to see more attention paid here to working women—the double, sometimes triple jobs they do in raising kids or looking after sons or daughters with disabilities or ageing parents while mostly doing the lower paid jobs. I wanted to be, when I came into this place, a good representative of women and their interests. I am profoundly disappointed that the dangerously repressive family planning guidelines are still intact thanks to religious zealotry and that our spending on family planning has dropped proportionally to one-sixth of what it was 12 years ago. It is disappointing that little progress has been made on violence against women and children, that more women than ever are in prison on drug convictions and that fewer will be in the Senate post 30 June.

I made a speech this week urging the government to act with more urgency on climate change. I regret that I will not be here to keep prodding them into action. I am sure it will be necessary. On current progress, and, if the point-scoring absurdity of the response to petrol costs is anything to go by, the chance of reaching agreement about Australia’s response to greenhouse, or that of the international community, before it is too late.
is looking very remote. For all the blokiness in politics, it seems that neither major party has the guts to tell people that high petrol prices are here to stay and the inevitable pricing of carbon will push them even further, much less encourage alternatives.

I am very proud of the achievements of the Democrats over 31 years and of my own work in establishing, for instance, the national environment legislation, from a Senate inquiry back in about 1997 to the passage of the legislation and, with it, 500 amendments improving the bill. I negotiated two extensions of the photovoltaic rebate scheme, establishing renewable energy grants for remote off-grid communities, pastoralists and Indigenous people, and a scheme for recycling lubricating oil. Probably nobody here knows that, but I am telling you now! I won $400 million for greenhouse abatement through an inquiry into Australia’s response to greenhouse. That was more than eight years ago and the recommendations are still as relevant now as they were then.

The Water Efficiency Labelling and Standards Scheme was my work, so, when you go into a whitegoods shop and buy a washing machine, those stars on that washing machine are down to me. That would have been done eventually, but I can claim that was my work, as were national fuel and emissions standards and grants for conversion to alternative fuels like LPG—again, taken up, fortunately, and improved by governments more recently. But these were all measures that governments did not take up at the time and perhaps would not have taken up had we not held the balance of power.

Eventually the recommendations of the urban water and greenhouse inquiries that I initiated will be implemented. Perhaps too the recommendations on Indigenous education, education for kids with disabilities and teachers will be implemented, which were all from inquiries that the education committee worked so hard on.

The mental health inquiry I initiated generated $4 billion in much-needed new funds from state and federal governments. Thank you to my colleagues on the Senate Standing Committee on Community Affairs for their enormous effort and the great collaboration and agreement that was able to be reached on that committee. We made a difference. The inquiry into the Jabiluka uranium mine assisted the Mirrar people to stave off that assault on their Kakadu land.

I wish my efforts on banning cluster bombs altogether had been more successful with the new government, but at least there is a half-good treaty underway. I did my best to discourage the Howard government from joining the attack on Iraq—a war that has taken five years so far and killed hundreds of thousands of people, mostly civilians, I might add. At least the Bush administration admitted that it was about oil and the Australian government admitted, finally, that it was all about the US alliance.

I am very pleased to see that the Rudd government has recently taken up the case for nuclear disarmament—another of my strong campaigns. I ask that it also look at setting up a ministry of peace and a law that would require governments to act when Australian citizens face unfair trials overseas, like David Hicks. I ask that it look at setting up an energy efficiency trading scheme, a bigger renewable energy target, a ban on new coal-fired power stations unless they can meet very tight emissions standards and a ban on junk food advertising directed at children. The government will find bills to do all of this under my name.

I want to express a big vote of thanks to my staff, my amazing staff: Jo Dower, Siobhan O’Mara, Daniel Barnes, Paul Watson, Vikki McLeod, Craig Beale, Sarah Benson—
who is not here—David Collyer, Tim Wright and a dozen or so more who went before them. Thank you for putting up with me, my disorganisation, my impatience and my unreasonable demands. Your hard work, your loyalty and your intelligence got me through more than a few sticky moments, and your fingerprints are on so many of our achievements.

It is difficult to single people out. However, I give special thanks to Jene Fletcher, who is an amazing member of our staff. Only the clerks know more about the procedures of the Senate, and even that would be arguable. Jene, you have been in the Senate for longer than any Democrats senator and you have been a rock for 19 years. We will miss you, but so will the many others in this place who constantly ring you to ask your advice.

Thanks to all who work in the parliament and who treat us with respect, whether we deserve it or not. I have the greatest respect for Harry Evans, not just for his spirited defence of the Senate but for his diligence and that of his staff in making us look good. We arrive here ordinary people, for the most part, with highly variable levels of education and most of us with no experience in the parliament and yet we still get by without knowing Odgers.

I acknowledge the great patience and multitasking of Rosemary Laing, Cleaver Elliott and their staff; the amazing responsiveness and organisational ability of our committee secretaries, despite impossible deadlines; the wonderful and important service of the Parliamentary Library; and Comcar—that great white symbol of privilege that makes us safe and comfortable on the long days and nights of travel. Our Hansard reporters are highly skilled and, my understanding is, second to none in the country. Attendants, photographers, security staff, cleaners, travel agents, gym staff, caterers and more all work to guarantee the very smooth operation of this place. I thank you, Mr President. I thank the Deputy President and the acting deputy presidents. I regret that I never made it onto the big chair up the front.

I want to also thank the architects of this parliament and the contractors who, 20 years ago, made this building. After 12 years in this place, I still revel in the architectural beauty of it, the timeless materials and colours, the attention to detail, the glimpses of courtyards, the fabulous artwork, the seamless transition between public and non-public spaces and its great success as an embodiment of democracy.

I have a lot of respect for the many journalists in the press gallery and the work that they do. Most of them have gone, I see, but never mind! There are important synergies between us: we both play a role in keeping the bastards honest. But I have to say I will not miss the endless need to pursue stories that put us in a good light or persuade them to take us seriously. I think the media could never quite accept that a party could give its members the democratic right to determine policy or its leaders or allow its senators to vote on opposite sides of the chamber. It does not quite fit the major party mould of tight discipline that so strangles honest debate and decision-making. I think our demise could have been otherwise if the graveyard stories had been balanced by the substance of our last two election platforms or our record in the parliament, but this was not to be the case.

I leave this place with great pride and many wonderful memories. I think we have upheld the principles that Don Chipp started in this party of not just keeping the bastards honest but bringing integrity, honesty and tolerance into this chamber. Thank you, Mr President, for your involvement here. Thank
you to all my colleagues in this place, and goodbye.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (6.31 pm)—I would like to make some remarks in response to the speeches by the three Democrats today and also some about Senator Nettle on behalf of the Australian Labor Party and the Rudd Labor government but more of a personal nature. This is a time for reflection on careers and contributions rather than a political analysis. It is fair to say that this is a momentous occasion in the life of the parliament and the Senate. The end, at least for the time being, of Democrat representation in this parliament after 27 years is something worth commenting on.

The history of the Democrats’ involvement and contribution to Australian politics will be written by others. I notice a great deal of media commentary around these issues in recent weeks and I am sure there will be lots more. It is worth noting that the Democrats contribution to the Senate and Australian politics was inextricably linked to the development of the role of the Senate; they went hand in hand. It was when the Democrats emerged as a third force in Australian politics and held the balance of power in the Senate that the role of the Senate and the role of the parliament changed.

Whatever one’s personal views about the Democrats or their positions on particular issues or the characters that have made up the party, there is no doubt that they changed the nature of Australian politics particularly in regard to the way the Senate operates. The Senate would not have developed the way it has and would not have developed a number of the features and strengths that now characterise the Senate if it were not for the emergence of the Democrats as a third force. Their capacity to operate in this place, to hold the balance of power on a number of occasions or hold it jointly with others saw the Senate find its feet, find its role and find a raison d’etre for it in Australian politics. It also took us away from the bitter debate of the 1975 constitutional crisis and allowed the Senate to find a positive role in Australian politics. I think the Democrats need to be congratulated for their role in that development and the significance of that role.

If you look at the development of the Senate committee system and the powerful role that plays in accountability and the examination of legislation, that is a very strong measure of how the system has changed. Of course, this also meant that the Democrats learned very strong skills not only as legislators but also as negotiators. For all their reputation as ‘pixies at the bottom of the garden’ after one unfortunate campaign, they were generally very hard-headed negotiators, very good at trying to find middle ground and very good at trying to progress their agenda while allowing governments of both persuasions to govern. It is worth noting that governments of both persuasions managed to govern effectively while the Democrats held the balance of power. There was no sense of instability in the governance of this country. That is not to say we did not have our moments and it is not to say that there were not the occasional fits of pique, hyperbole and condemnation from both major parties in all of that. But it is true to say that we had a period where the Senate was not in the hands of the government but we had stable government nonetheless.

It is true to say that the Australian public have come to like governments of both persuasions being held to account and checked by forces in the Senate other than those of the government. That balance of power politics—that check on government power—has become something that the Australian public generally support. All the surveys show that and, of course, the voting record in elections
since 1980 indicate that the Australian public have supported, on most occasions, third parties—be they the Democrats, the Greens, Independents or minors—to play that role.

It is ironic that the Democrats losing representation at the 2004 election coincided with the then Howard government gaining control of the Senate. The demise of the Democrats saw the Liberal-National Party government gain control of the Senate and it is ironic that that control brought an end, in my view, to that government. Their inability to check themselves in the industrial relations arena in particular saw them lose government. You could mount an argument, if you were not the Leader of the Government in the Senate, that that might be a good thing and that maybe the coalition might still be in government if they had the benefit of someone holding their mad ideological crusade in check.

Senator Conroy—They saved them from themselves many times.

Senator CHRIS EVANS—Well, it could be argued, I think, that the Democrats saved the former Labor government from themselves on a number of occasions. Certainly they saved the Howard government from themselves on a range of occasions as well. Anyway, as I say, the historians will debate these issues for years to come. But I did want to note that your colleagues in this place particularly respect the role of the Democrats—both the four retiring senators and those over the time of the party’s participation in the Senate—as very serious legislators and as people who have made a real contribution to getting better outcomes and better legislation.

The other thing that is worth noting is that the Democrats have done a lot for the representation of women in Australian politics, both in terms of the candidate selection over the years and in electing women as leaders on a number of occasions. That has helped change the face of politics; it is something that the major parties have come to adopt and the Democrats did provide a lead in that. That also helped to contribute to the transformation of the Senate so that it is not just made up of middle-aged grey men like me and Senator Minchin but there is some variety of gender, political attitude, experience and ability.

I would like to make a couple of remarks about the individual contributions of each of the senators. Firstly, Senator Natasha Stott Despoja: Natasha is probably the most publicly recognisable senator ever. I am sure that that is a huge benefit and a mighty curse as well. She is probably even more publicly recognisable than John Gorton, Mal Colston or Brian Harradine. When she came in, Natasha made politics interesting, vibrant and sexy. All sorts of people who took no interest in politics suddenly took an interest in politics. Natasha was obviously much more media friendly than most of us. Be it with Doc Marten boots or other media angles, she actually got to then argue serious political points by making herself more interesting and making herself available to the press. Unfortunately, I think Senator Stott Despoja after a while suffered from the sort of tall poppy syndrome that seems to apply in Australian politics. A lot of people went out of their way to try and tear her down. It is unfortunately the case that that seems to be much more prevalent as an attitude towards women in politics. We still have not overcome that particular problem. Nevertheless, Senator Stott Despoja has had a tremendous career.

I first met Natasha when I came into politics. Natasha used to put out her famous calendar of senators and I was very proud when I made the first calendar—I was then a new senator and was a younger, thinner, darker haired bloke—as the August entry. Natasha
found out that I used to be in the firefighters union, so I was ‘Hot August Nights’! It is very cute. And the line was, ‘Come on, Chris, light my fire.’ One, she had a sense of humour and, two, it is a very long time since I lit anybody’s fire! But that was a sign that she could be a serious political player and also enjoy politics and make it interesting. That has been one of Natasha’s great strengths. She has a great record of achievement in this place. She is known as passionate and committed, as a serious politician who has made a huge mark and as a very decent person.

I acknowledge that her decision to go in a different direction must have been difficult, but I know how committed she is to her children—although clearly Ian is proof that love is blind. Talk about the Yin and the Yang! His professing of love for Maggie Thatcher I thought was just the last straw! But it is sad to see Natasha leave this place. We will be poorer for her loss. But I also know that she has a lot more to contribute to public life. Getting the work-family balance is difficult, but I am sure that Natasha will continue to make a contribution. It would be a great loss to Australian public life if she did not and I wish Natasha, Ian and the kids all the best.

I have grown fond of Andrew Bartlett. He arrived as a Goth and animal liberationist with DLP roots, and I thought, ‘What the hell do you make of this bloke?’ Then, in his first speech, on the 11th of the 11th—you know, he was always one for making a mark—he spoke of his admiration for Brian Harradine. So you have the Goth, the animal liberationist with DLP roots in his first speech talking about his admiration for Brian Harradine! And, you know, no-one could quite figure him out. I must say that 12 years or so later, or whatever it is, I still have not figured him out. But he has developed into a very, very good senator.

There is no-one more conscientious about his parliamentary work. He spoke often—some would say too often! You could say that he was not always the most inspiring speaker, but he was persistent, consistent and principled and earned the respect of his colleagues as a result. I know he used to be very well prepared with legislation. I did committee stages with him and he is a very serious, well-regarded parliamentarian. As he indicated in his speech tonight, he has an enormous commitment to Indigenous affairs, to immigration and to a range of other matters. I know his commitment in those areas and to those causes when there was not much interest in or public support for them was difficult, and that does him proud.

I was struck when I was in the chamber earlier in the week when he gave a speech on immigration. Again, it was just off a few notes and it struck me how balanced, insightful and positive the speech was. I learnt something from it and I thought it was a sign of the experience that he has and the development and the knowledge that he has gained—and the fact that he was still working right up to the last days. I know that he had a very difficult personal time at one stage in his career, but the way he fought back from that is a great credit to him. He has made a serious contribution to this place. Again, he is someone with a lot more to contribute, I am sure, and we wish him and also his family well.

Senator Lyn Allison is also leaving this place, and I know how committed Lyn is to politics and public affairs. I have always been impressed by her quiet dignity. When all around are screaming and shouting, Lyn sticks to the issues and plays the ball, not the woman. She takes a keen interest in public policy outcomes. Whether it be committee work or work in the parliament, her real interest and commitment to policy and policy outcomes comes through. She is always fo-
cused on the underprivileged, those who do not enjoy the same opportunities as others in life, and always in the key areas such as education, the environment, health and the rights of women. Lyn has made a huge contribution to those issues in the parliament and in the broader public debate.

She referred to collaboration over women’s health. I think there was an interesting development in the parliament: the cross-party contribution of bolshie women who came into this place. I know my partner was very pleased with the development. I am not sure some of the blokes in this place were but generally it was, again, a sign of a development in the Senate, an evolution in the Senate, another interesting development in the way the Senate can and may operate.

Lyn, you have been a tremendous advocate for the Democrats. You have been a strong advocate for them in really difficult times. I think the grace with which you have led the Democrats, when you knew things were coming to a bad end—at least temporarily, if not long term—does you great credit. Your contribution has been appreciated and you hold the respect of Labor senators. We wish you well.

Mr President, I hate to keep banging on but, given that Senator Kerry Nettle snuck in at lunchtime to try to avoid people talking about her, I take this opportunity in the last couple of minutes allocated to me to say something about her contribution. I know that doing it in the same speech about the Democrats will cause major offence to either or both parties but—

Honourable senators interjecting—

Senator CHRIS EVANS—No—there is a rapprochement, I am pleased to hear! Like Senator Bartlett, Senator Nettle made a huge impression when she first arrived because she brought something fresh to the Senate. We had this young, green activist in the place, full of enthusiasm, vitality and energy. It made some of us feel very old, and we thought, ‘Jeez, it’s good to have someone around who is that energised.’ It also made the place more interesting, because we had someone who clearly was a community activist who brought those skills and attitudes to the Senate and, in continuing that trend, it made it a more interesting and diverse place. Senator Nettle made a contribution to the development of the Senate, its practice and its culture.

Her tremendous commitment to social justice issues has been evident in all she has done, as has her obvious commitment to the environment. As Minister for Immigration and Citizenship for the last six months I became aware of her tremendous interest in immigration and issues associated with it, as well as her knowledge and commitment in those areas. Again, like Senator Bartlett, she showed a real commitment to people in this policy area, when it was not popular and quite difficult. I think acting as a voice for people who were not being heard is a tremendous testament to her personal commitment and conviction.

I think people can come into politics too young. I have seen many people come in too young and burn out quickly, so I am not sure, Senator, that going out now is not a blessing in disguise. You will probably be a much more balanced person in years to come than you would if you had stayed here. Of course, you had the option of coming back, but I know you are off to East Timor to make a contribution there. I know you are the sort of person who will always be active, always be making a contribution. And the good thing about not being here is that you might actually have a life! As a younger person, it is probably important you take that opportunity. Whatever you do, I hope you enjoy it. I know that whatever you do you will be committed to it, and I know you will make a
difference to whatever you do. You have made a difference here. You also have a real reputation—I certainly believe you have—being very genuine and nice. ‘Nice’ is not really a strong word, but I have always found you to be a very nice person. We will miss the contribution you make but, as I say, I am sure you will make a contribution in other ways and I wish you all the best.

Senator MINCHIN (South Australia) (6.50 pm)—I echo the fact that, as many have said, not only do we farewell four Democrat senators but, quite remarkably and historically, we farewell the Australian Democrats itself as a political and Senate entity. Therefore, we are engaged right here and now in what will be seen by history as an extraordinary occasion.

I have been very actively and indeed involved full time in Liberal Party politics since 1977, when the Democrats first emerged as a political force, so they have been a permanent feature throughout my active political life. So the party’s demise, certainly as a federal entity, has great poignancy for me and of course for most Liberals. We all recall that the party’s genesis lay in a renegade Liberal, none other than Don Chipp, who was a great Liberal. We were all desperately sad to see him leave our ranks and start another party—and what a party it has turned out to be!

The other element of poignancy for me is that the great strength of the Democrats has been, quite unusually, in my own state of South Australia. The smallest mainland state has produced much of the engine room of the Australian Democrats. It has produced four of the nine Democrat leaders, those being some of their most significant and high-profile leaders in John Coulter, Janine Haines, Natasha Stott Despoja and Meg Lees, all of whom, because of their domicile, have been good friends of mine over the course of the Democrats’ existence. To add to that, the only remaining Democrat after 30 June in Australia will be Senator Sandra Kanck in the South Australian Legislative Council, so it is an unusual phenomenon of South Australia.

It is interesting that one of the things I managed to achieve in Australian politics was keeping Janine Haines out of the House of Representatives because I had responsibility for managing the Liberal campaign in Kingston in the election of 1990. I was genuinely very fearful of Janine capturing a seat in the House of Representatives which, from my perspective and the perspective of my party, would have been a dreadful thing to have occurred. I remember having a real fight with Andrew Peacock, our then leader, in which I tried to convince him that we should direct preferences to the Labor Party to keep Janine out. He insisted that we could not do that and that we always put Labor last, therefore we had to direct preferences to Janine. The problem with that was we were running third in the ballot 10 days out and our preferences were going to elect her to the seat. In my role as the state director, I then ran the most negative campaign that has ever been run against the Democrats anywhere.

The thing about the Democrats—and I do not mean this as a criticism—is that they have since gone below the radar. While Liberal and Labor have been attacking each other throughout the last 30 years, the Democrats have quietly fed off our preferences and stayed below the radar. That campaign in Kingston proved to me that, if you put the spotlight right on the Democrats and some of their more odd policies, you can take them down. I know you do not like to hear that but that is what happened in that campaign. I think we took 10 points off Janine’s polling in a week to ensure that she came third and the Labor Party retained the seat. It is tragic what has since happened to Janine. I think
she was one of the most extraordinary politicians Australia has produced and a very capable woman. That is why, from our very selfish point of view, we needed to keep her out of the House of Representatives.

What has happened to the Democrats reminds us all that no party at all can take its continued existence for granted. It teaches us that it is especially difficult for smaller parties to survive, and I therefore think the Democrats really should take a lot of credit for and be proud of the fact that they have survived for well over 30 years and certainly lasted much longer than others from the passing parade of parties like One Nation, the liberal movement, and Australia First. The DLP, I suspect, did not last as long as that. That is not much consolation, but in the tough game of politics with the difficulty of survival that is something quite extraordinary about the Democrats.

Proportional representation as a system of election has a balance sheet with positives and negatives. I think one of the downsides of proportional representation for election to the Senate is that it puts minor parties in a position of enormous influence in one of the most powerful upper houses in the world. Parties that might achieve only eight or 10 per cent of the vote can dictate to a nation the fate and direction of that nation. But I think it can be said of the Democrats, frankly, that they have been, if you assess their record over the years, very responsible in the exercise of that great influence. I truly hope that those who succeed the Democrats will learn from that and be equally responsible in the exercise of the enormous influence which proportional representation and the method of election to the Senate hands to parties that represent small minorities of the Australian people.

Much has been made tonight of the slogan which the Democrats made famous: ‘Keep the bastards honest.’ I think only ‘It’s time’ ranks with that slogan in the annals of Australian political history. Unfortunately, on our side of politics we have never come up with anything as good as either of those two slogans.

Senator Chris Evans—‘Incentivation’!

Senator MINCHIN—‘Incentivation’ was pretty good. It will be remembered, but it was probably not quite as effective. It is fair to say that slogan has encapsulated the approach that the Democrats have brought to their role in the Senate, and I commend them on that. They have generally taken their balance of power role very seriously and have practised to great effect one of the great arts of politics: the art of compromise, which is required of us all and much more so of us senators than our colleagues in the House of Representatives, who do not know what it means.

As a former coalition cabinet minister, I want to place on record my thanks to at least some of the Democrats—with the notable exception of a couple who are here tonight—for their ultimate support for our modified new tax system including the goods and services tax. I acknowledge the enormous damage that issue did to the Democrats as a political force. But I think history will prove that those who did vote for the GST did absolutely the right thing. And as I said before, I think it is hard to imagine Australia not having that new tax system in place. I guess you can all blame Brian Harradine for the fact that the weights were put on the Democrats to decide the fate of that legislation. I think I was acting government leader in the Senate on the day that Brian Harradine finally decided he could not support our legislation, which put the fear of God into us thinking, ‘My God. The Democrats are going to decide the fate of this legislation.’ I openly acknowledge how very difficult that was for
you as a party but I believe history will judge that those who voted for it did absolutely the right thing.

Tonight, as Senator Evans said, we acknowledge the service of what I think will be the last four Democrat senators ever to serve in this chamber: Lyn Allison, Andrew Bartlett, Natasha Stott Despoja and Andrew Murray. I was very pleased to have the opportunity yesterday to pay tribute to the service of Andrew Murray. Tonight, as a South Australian, I particularly want to pay tribute to the service of Natasha Stott Despoja, who has been a state colleague and a Senate colleague of mine for 12½ years of the 15 years that I have been in this place. It is a great privilege for both of us to represent the great state of South Australia. Natasha is the wife of my very good friend Ian Smith and the mother of his two children, CO1 and CO2, who are an absolute delight.

Natasha has been a remarkably and extraordinarily successful politician, one who has marked her career with a number of great milestones that may never be beaten—including her being the youngest woman to enter federal parliament, the youngest person ever elected to the Senate and the youngest person ever elected as leader of a federal parliamentary party. She has a great capacity for diligence and hard work in the Senate. We in the major parties do actually understand that those in the small parties have to do a lot more work than us, who have so many other colleagues around us. As Senator Evans properly said, she has a public profile to match that level of work ethic. As I said about Andrew Murray, Natasha has been an assiduous legislator—again, someone denied the opportunity to serve in the executive but someone who has taken her legislative role so seriously.

The other thing about Natasha that I think we can all learn from is the way in which she has established herself as one of the most persuasive and influential communicators that we have seen. That capacity to influence young people has always struck me. I felt it firsthand when I did a debate at an Adelaide high school with Natasha some years ago on a subject dear to my heart, which is that, as many of you know, I strongly believe that it is immoral to force people to vote and that people should have the right to choose whether or not to vote. I do detect in Natasha a little inconsistency in this. I respect her championing of civil liberties, but for some reason she does not think that citizens of this country should have the right to choose whether or not to vote. So we were invited to argue the two sides of this case. I was staggered by the way in which she absolutely creamed me in that debate by persuading these young people that indeed they should be forced to vote. I felt shamed by my incapacity to establish in their own minds that that was indeed quite contrary to any notion of civil liberties in this country.

About Natasha I could not agree more with her husband, Ian Smith, when he wrote of her in the Advertiser yesterday: ‘If only she had Maggie Thatcher’s politics.’ It is one of the great tragedies that all that talent has gone to waste on all that left-wing agenda! But, seriously, one of the great questions I think for political aficionados to ponder in the future will be whether in fact Natasha could have been re-elected in our state of South Australia had she actually stood at the last election. That was a subject that was considered at the time. I suspect on balance that she probably would have won, from my analysis of South Australian voting, but she then would have faced the ghastly prospect of being the only Australian Democrat in this place for the next six years. So I have no doubt whatsoever that she made the right decision. I do wish her, her husband and her family all the very best for the future.
Can I also congratulate Senators Allison and Bartlett on their very significant contributions to this Senate and on their achievements as leaders of their party. On behalf of coalition senators, I endorse the remarks that Senator Evans properly made, and I extend my commiserations on the fact that both Andrew Bartlett and Lyn Allison were actually defeated—Andrew Murray and Natasha of course having elected not to run; the others were defeated. I am not quite sure but I think both of you have handed your seats to the Labor Party, which is most regrettable and very unfair of you.

Senator Allison, it should be noted, is the third-longest serving Leader of the Australian Democrats, after those two great figures in Australian politics, Don Chipp and Cheryl Kernot. It is a fact that Senator Allison’s 3½ years of leadership did coincide with the three years in which the coalition had a bare one-seat majority on a good day in this place—and, believe me, as their leader, I could not always be sure, because of our great and proud tradition of allowing people to cross the floor. We made it through, but of course that reality deprived the Australian Democrats of their historic role as the centre of attention in this place. It deprived them of the influence in the balance of power position they had. It was a very regrettable reality for Senator Allison, inheriting the leadership at that time, when, by dint of the outcome of the 2001 and 2004 Senate elections, the Democrats had essentially no influence in this chamber. I do not think that diminished Senator Allison’s great passion and great conviction, and I regard her as a real conviction politician. While we disagree on just about everything, I do want to record, Senator Allison, my acknowledgement of that sense of conviction and passion that you have brought to this place.

Again, I would endorse what Senator Evans said about Senator Andrew Bartlett. We were all touched by the emotion again that Senator Bartlett brought to bear tonight, and the difficulties that he raised with the issue of asylum seekers and their treatment. I know many of you might think that we Liberals are heartless bastards. But these are the issues you wrestle with in government, knowing that the decisions you make and the decisions you have to make in government have enormous personal and individual consequences, and none of them are easy. I think Senator Bartlett tonight brought that home. I am not about to retract anything we did in government, but you do bring home, Senator Bartlett, the great difficulty that executive governments always face in making decisions which they genuinely believe to be in the best interests of the nation and its future, balanced against what we all know to be often the personal hardships that some of those decisions can mean.

I hope I do not embarrass him by noting that Senator Bartlett did achieve some notoriety a few years ago after his little altercation with our dear departed friend and colleague Jeannie Ferris. That incident certainly attested to the fact that the adage that all publicity is good publicity is not necessarily true. But I did want to take this opportunity tonight to say to Senator Bartlett on the eve of his departure from this place that, in the best Christian tradition—and most of us on this side really are quite strong Christians—all is forgiven. I genuinely mean that. I know that was a very difficult time for you. I did feel for you at that time. I want to genuinely place on record that we forgive you and wish you all the very best for your future and for your future with your family. I know that both Lyn and Andrew will be extremely active in Australian politics and add to the great vibrancy that this polity does demonstrate as much as any in the world.

It is an historic week in Australian politics. A significant force in this great parlia-

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ment of ours, the Australian Democrats, expires on 30 June and, as I said, I suspect will not be revived. We may have a like party emerge in the future, but not this party, so that does mean our four friends and colleagues on the cross benches are leaving us. On behalf of the coalition, I express my commiserations to the Democrats on their demise, but I congratulate our four colleagues on the Democrat benches on their great contribution to the Australian Senate and wish them well in their return to real life.

I conclude by again endorsing Senator Evans’s generous and proper remarks with respect to Senator Kerry Nettle. Again, I always feel sorry for those defeated at elections. It is unusual to have a Greens senator defeated in an election in which we certainly thought the Greens would prosper at the expense of the Democrats. While those on our side regard most Greens as somewhat left-wing and ideological, I think that Senator Nettle has brought great seriousness of purpose and a sense of conviction to this chamber and has argued her case with great passion, seriousness and sense of purpose. I am married to a Kerry, so I always feel very fond of Kerrys—although mine is even more right-wing than I; she is very different to Senator Kerry Nettle. Again I express my commiserations on behalf of all coalition senators on your loss. I wish you well and, if you wish to return here, I hope that your dreams come true.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (7.08 pm)—I begin by saying that I do not quite see things the same way as Senator Minchin does. We have had some delightful contributions here, and I want to follow on from those. He said, amongst other things, that the Democrats have had no influence in this place in the last four years. Let me say to each and every one of them: I disagree. I think you have been a most powerful force in this place for compassion, for humanity, for the planetary environment, for decency, for openness and for honesty in such quantities as every parliament and every debating chamber that influences the passage of nations and humanity needs.

For me, it is one of the great conundrums of the universe that power goes to those who most easily climb up the ladder and can tread on the fingers and faces of other people wanting to get there, and yet we need most of all in politics—never more so than now—compassionate human beings who can see beyond themselves into the future and to the needs of the coming generations, who can draw from the best of our antecedents and who can work selflessly for the planet. I have always gained great inspiration from the Democrats, from the first meeting I went to, when Don Chipp came to Launceston in 1976 or 1977, to that magical moment when I went to, when Don Chipp came to Launceston in 1976 or 1977, to that magical moment when he came down the Franklin River in 1982. He was as enthralled by the river as he found himself revolted by the muesli that was dished up at breakfast by his Wilderness Society guides on the river. But he came back here.

Former Senator Colin Mason and colleagues brought into this place the first World Heritage protection legislation, and that was the model taken up by the incoming Hawke government which led to the Franklin effectively being saved. You cannot divorce the campaigns outside parliaments from the politics and from the law, and next Tuesday night we will celebrate the 25th anniversary of the High Court decision which empowered the Hawke government to stop the dam and to protect the wild rivers. That decision, which came from the intellect, the commitment and the legislative innovation of the Democrats in this place, was a source of prosperity and great joy for the hundreds of thousands of visitors who go to the west coast of Tasmania.
We made a few efforts to have the Greens and the Democrats get together at various times. These did not succeed, and yet my view is that we are sibling parties and that we share a great complementarity of viewpoints about the need for a different form of politics, a much more compassionate politics that yet needs strength to go with it. I will never be able to see myself as being divorced from the impact, the inspiration and the encouragement to be involved that those 29 Democrat senators have had on many other Australians besides me in the last 30 years.

After Don Chipp, I think of people like former senator Vicki Bourne. She did prodigious work for Tibet, for legislation to have mining companies overseas held to the same laws as mining corporations here in Australia and for human rights. Of course, Janine Haines may have got, according to one figure I heard here today, only 13 per cent in the lower house vote, but she was the first female leader of a political party in this place and she was a wonderful voice not just for politics but in particular for women in politics right across Australia, wherever we might sit on the political spectrum. My great friend Norm Sanders, who is in Hawaii tonight visiting his daughter, is a Democrat who came out of the Tasmanian parliament and who resigned over the mistreatment of blockaders back in 1982. His departure from politics led to the open door through which I came into politics, and I learnt enormously from the resilience, the wit, the good humour and the enormous humanity of Norm Sanders, who was a senator in this place.

Amongst the achievements of the Democrats beyond the World Heritage legislation are the introduction of an Ozone Protection Bill back in 1988; the first Senate inquiry into greenhouse gas emissions in—wait for it—1989; the opposition to the Australia Card, which they led; the support for compulsory superannuation; the outlawing of tobacco advertising; the register of political donations; being the first political party to formally apologise to the Indigenous people of this country for their stolen generations; and so much in developing the democracy of this Senate and its committee system.

Let me, for a moment, dwell on that. Senator Minchin said, ‘Woe is us because of proportional representation that allows small groups to wield improper power.’ But, no, it does not. The Democrats were, as Senator Minchin said, very responsible in their use of the balance of power, and the Greens intend to be the same. We are entering a Senate in which all entities in this place will be in the balance of power. The Democrats knew that well, they used that power well and they advanced the interests of Australia as a result.

Senator Lyn Allison will, amongst other things, be remembered by me—and I want to commit that the Greens will continue her work—for getting rid of the horror of cluster bombs. She has just said it is a half-good treaty. We want to make it a 100 per cent treaty, and it is her work that this place will build upon in moving towards that outcome. She also said that she regrets she never made it to the big chair in the front. Well, if the Greens’ policy of having an independent chair in this place ever comes to be, hers would be one of the first doors I would be knocking on because of her experience and her fair mindedness. She would have been an excellent President of the Senate.

Senator Andrew Murray spoke very passionately last night about the 500,000 children who experienced institutionalisation or, otherwise, deprivation of the family home circumstance that we all would hope to see every child have. His contribution to this place is something, again, that I will not forget and will be wanting to build upon in the years ahead because there is very much un-
finished business there. He has spoken about that passionately a couple of times this week.

Senator Bartlett says he dyed his hair, but he is greyer now and he has stopped doing it along the way. Of course, he has a much more eminent grey topknot than do I. Your sorrow at what happened on Nauru—and you have expressed that a number of times here—and your dogged defence of people who were so cruelly locked up either on Nauru or behind barbed wire, including the children, contributed greatly to the rise of Australian passion against that and the release of numberless people who might be there right now it was not for your work. You went to Nauru, you spoke for those people, you came back to this country and you inspired us all to see that that was ended, and thank goodness this government has done that. It should never happen again.

Senator Natasha Stott Despoja, you spoke about diversity and you have been a remarkable advocate for diversity in our community. You have spoken about that again tonight. I agree with Senator Minchin: you have been an inspiration also in so many areas for Australians, for example in the field of privacy, a very difficult one to tackle in this day, where we have been led to believe that everything we do must be watched just for our own security. You have worked hard for the better representation of women in all walks of life, not just in parliaments. I note that you said that there are fewer males and fewer middle-aged people in the Senate than when you came here. I think that means that I might not qualify on at least one of those scores—it is true! You have been an inspiration, doubtlessly. I have run into that all around the country. You are an inspiration to young women in particular to take their rightful place, to be in politics, to transform politics and to get better outcomes for the nation.

All of you have been a power for the good in this place, as have the Democrats over the last 30 years. All parties come and go—I think you said that, Senator Murray. That will include the Greens, the Labor Party and the coalition parties. But I doubt if, looking back on history, any of those parties when seen as a complete capsule will be able to say their contribution was more humane, was more consistently good on a rating of bad to good or was more selfless than the Democrats over the last 30 years. They have done this nation and therefore the world a power of good. You can be justly proud of the contribution the Australian Democrats made to this place and to this nation. I salute that. I wish each of you great happiness and great further accomplishments, and I thank you from the bottom of my heart and on behalf of my colleagues for your wonderful contribution.
sure that we were very focused on the issues he had in front of him, and when the second Greens voice arrived we were absolutely terrified that this might somehow lead to a collapse of everything we knew. But that was not the case. Kerry amazed us all in being able, seemingly within a couple of weeks, to stand on her feet. In committees she was able to articulate very complicated issues of law and articulate the Greens’ view on a whole range of issues. I thought it was so very impressive. Of course, she went from strength to strength. Wherever you were in the Senate, if there was a committee or a piece of legislation around, Kerry was there, well in front of most of those who were part of the 2001 intake. She has made an absolutely fantastic contribution to this place. I have spent some time on committee work with Kerry. Whilst from the outside you might assume that because we are on different sides of the political divide we would not have anything in common, I certainly enjoyed Kerry’s company. I acknowledge the absolutely fantastic contribution she has made to this place and I am sure she will go on to make other contributions in other paths.

It is, I suppose, quite unique that we stand in his place and acknowledge a contribution that an entire party has made. The winds of politics have it that the Australian Democrats will be leaving this place at this time. I have been assured, certainly by some of the valedictories from the Democrats, that that is not to say they will not return in the future. The Democrats have made a very significant contribution to Australian politics, particularly in that they have brought to it some choice and diversity. I do not think anyone would doubt that one reason we are such a great and rich nation is the diversity and richness of our communities and our people. If we have a parliament that is reflective of that then it is genuinely a representative parliament. I do know that the Democrats have brought that to this place.

The Democrats have been recognised and acknowledged for their great catchcry ‘keep the bastards honest’. It resonated well before I came to this place, but that could be a catchcry associated with any of their activities in this place. The fact that they have been the longest-serving minority party in this place means we will all struggle with an explanation—although I know a lot of pundits will have the exact answer—as to why a political party of such strength and importance has gone. Since I have been here they have played a pivotal role, not necessarily as the balance of power on all issues but certainly as a considerable influence on the way legislation has gone and on the way committee hearings have gone. Their contribution, particularly in the policy areas of environment, equal opportunity, education and government honesty and transparency, will never be forgotten. I know that they leave a genuine and long-lasting legacy in those areas.

They have often led by example. Certainly by having women as leaders of their party they have walked the talk in that area. They have always levered their vote to great effect and, certainly in my experience, they have been fairly honest in doing that. Of course, sometimes doing the right thing is very costly in this place. The Democrats may not have recognised quite how well they were doing the right thing. But hindsight is always very handy, and certainly I think we will all look back and thank the Democrats because the taxation system in Australia today is better for the GST.

One of the reasons the Democrats have been so successful is not so much because of the party but because of the sum of the parts. Any of you who have spent much time in this place would know that the Democrats are in fact a gaggle of individuals rather than
a collective party. They have certainly behaved like that and their philosophy is like that. I think the strength of the Democrats has been the sum of the parts.

So much has been said about Natasha Stott Despoja and the particular role that she has brought to this place. One thing that has not been mentioned significantly is that Natasha has become such a wonderful role model for young women across Australia. I can remember coming in when I first arrived in parliament and bringing my sons and daughter here, expecting them to be very enamoured of the important people here. They met John Howard, and I thought that would be very exciting and that they would want to quiz me on that. But my daughter was not particularly enamoured of Mr Howard. In fact, she wanted to know all about Natasha and what she was wearing. When I went home in the break, Sarah was always badgering me about those things. My eldest son was also very inquiring. He said, ‘Jeez, that Natasha is pretty hot, Dad.’ I said, ‘Yes, that’s a reasonable observation.’ I think he felt she was a bit out of place—that someone so young and so vibrant was a bit out of place in the Senate. That is probably a reasonable commentary on how many Australians see this place, and it is great to see that we had a representative of a demographic that is not often represented in parliament. I think that has been a particularly important role for her.

We spent time in many places on committees and I can say that Natasha, like most of the Democrats, can be characterised as a very hard worker. We have had a lot of great times together and a lot of laughs. As a fisherman, I particularly remember in New Zealand being surprised when, in the middle of nowhere it seemed, she managed to produce a magnificent cake with a model fisherman on it. She is a very resourceful individual, and those who know Natasha know her as an absolutely delightful young Australian.

Do not be mistaken; Natasha is all business. In our time on committees, Natasha was a hard worker. A lot of people who are getting cross-examined by her think: ‘This is a lovely young lady. She is asking nice questions. She is so pleasant.’ But I have seen a few of them make the mistake of thinking that she may be not listening or is perhaps not paying attention, and they have paid the penalty. As a minister I do not think I got too many questions from Natasha, but I certainly did not look forward to them. One of the characteristics of anybody on the government front bench taking a question from Natasha is that there are no flippant responses or flippant remarks—because you would certainly be made to pay for them if you thought you could get away with them.

I been very lucky to have shared some time with her wonderful young family. There have been a number of nicknames, but I know that Conrad will answer to ‘Conan’ in later years. We have been really good mates for a long time. And I know the wonderful young Cordelia will be a very welcome addition to that family.

I want to talk about the contribution that Natasha has made to this place and about her legacy. While much of the legislation that she has supported did not get up at the time, we have always seen it as containing the seeds, the genesis, of significant changes in public opinion and in the opinion of this place. Many of the changes that we have seen have come in the areas that Natasha has championed. I think that we will see her legacy coming up continually in the future. She mentioned maternity leave. As we eventually pass legislation in this place that deals with that very problematic issue, I hope that we all reflect on the role that she played.
Andrew is a very interesting character, and I mean that in the very best way. When I came to this place one of my first committees was the legal and constitutional affairs committee, and I spend a lot of time with Andrew. This was right in the heat of the refugees and ‘children overboard’ times. They were very difficult times and being thrown into that process was a very difficult challenge for me. I could always rely on Andrew at least to help me when I asked: ‘What is actually happening now? Who is that bloke? What are we doing now?’ He was always kind enough to share his great experience in process with me, and I will be forever grateful.

Again, he is somebody who has a great deal of interest in a number of key areas. He focused on those areas that were his passions. Certainly in the area of refugees and human rights generally, he was always someone who had a great deal of knowledge. Whenever I had to negotiate issues about legislation, if Andrew said that that was what they were going to do, he was a man of his word. He was always very easy to deal with. He had the odd knack of coming up to me, though, and saying, ‘I’m not really sure where I’m going to go on this, Nigel, so I’ll be listening to what you say.’ That put me under a little bit of pressure. I had to think very carefully about how to ‘Andrew-ise’ or ‘Queensland-ise’ the speech and think about what particular interest he had. He was very serious. If you did not convince him, the Democrats would not be voting for it. He was very persuasive in that way.

Andrew is a very passionate individual. For a short period I certainly enjoyed some late nights with Andrew—one particularly fateful one, and I should take some responsibility for that, mate. But Andrew actually managed to make some changes with regard to that particular event. I wish I had been able to do the same. I am still a heavy drinker and I should be trying to get that in control.

I know that Andrew is somebody who is going to continue to make a great contribution to public life. I suspect he will still be involved in those areas that he is passionate about at the moment. Certainly the areas of human rights and Indigenous affairs are areas where we need people like him to continue to make that contribution in public life.

Lyn is another wonderful individual and a very different individual from the other Democrats. As I said, I think that is where they get their great strength from. We spent much time on committees together, and I have to say she is an absolutely delightful lady. It has been a real insight for me. She is somebody with very different views in politics. We spent some time on a uranium inquiry and we travelled throughout South Australia. Most of the time was spent cross-examining people who were saying, ‘It’s going to be all right; trust me.’ I have spent some time in the uranium industry and I know the industry fairly well, and I think we surprised each other by a whole suite of exchanges of views. There were some things that I had not been aware of. Lyn had looked very forensically into these issues in the past. As a consequence of those conversations, I knew better about what sorts of questions to ask and the sorts of issues that we really needed to tease out. Spending time with people who have a different point of view is a very valuable thing, and we should all learn a little from that.

Lyn has been characterised as an extremely hard worker. I remember Lyn chairing the mental health inquiry, a very significant inquiry of this parliament, which I think had a great impact on the government of the day. As a consequence of the tabling of that report there were some meetings through COAG, a whole suite of decisions were made.
and a decision was made fundamentally across Australia to put a great deal of money towards this challenge. It is never enough and it never seems to be spent in exactly the right way, but I think it was a fantastic start and that will be a fantastic legacy for both Lyn and the Democrats.

I think all the senators who are leaving today have made an absolutely great contribution to this place, to the wider community and to Australian life. I wish luck to them all and their families in their future endeavours.

Senator FIELDING (Victoria—Leader of the Family First Party) (7.36 pm)—It is the end of a remarkable three decades, with the Democrats leaving this chamber, but there is no discounting their remarkable work—amazing, hard and tireless work—which I have only seen in the last few years but which has been done over those three decades. I do not think there is any political party that has not been impacted by the Democrats. I know that I most likely would not be standing here if I had not come into contact with the founder of the Democrats, Don Chipp, back before the 2004 election.

To Senator Lyn Allison, Senator Andrew Murray, Senator Andrew Bartlett and Senator Natasha Stott Despoja, this place will not be the same without you folks. That goes without saying. We wish you all the very best in your next endeavours, and we wish you well.

As I said, I do not think there is any discounting the work that the Democrats have done over the last three decades. Very briefly turning to Senator Nettle, who is no longer in the chamber, I wish her all the very best in her next endeavours as well.

Senator MURRAY (Western Australia) (7.37 pm)—I want to begin by thanking all those senators who made very kind remarks about me in my valedictory yesterday. I had the opportunity to say some warm and good farewell words to those members of the National Party and Liberal Party who are leaving this chamber, but there are four senators I still need to address. The first is Senator Nettle. I think Senator Nettle has made a very considerable contribution for her party. She is one of the better debaters of this chamber. She is able to speak clearly, in a principled and articulate manner, with great focus, when dealing with legislation. She also understands that you do not have to be rude to be passionate. In fact, she is of a gentle and determined demeanour. I think she will be missed by her party. She has certainly made a very significant contribution to this chamber.

Senator Webber, from my own state of Western Australia, is a clear example of how the Senate allows people to grow. Senator Webber has become a very able contributor and a very strong participant in the chamber and in committees. She has earned my respect over time. I have enjoyed her company. I have certainly noticed her laughter, including in aeroplanes. I do not know anything about your successor, but I think you are a loss to your party in Western Australia. A kiss on the cheek to you.

Senator George Campbell is a naughty, naughty boy! He is actually a very good fellow. It has not gone unnoticed that he has won the affection and, indeed, the respect of many political opponents from the coalition. That is because, as a strong unionist, as a strong supporter of the manufacturing sector, and as a person with a very considerable trade union history, his consistency, diligence and application in expressing his opinions on behalf of those he supported and backed was very effective. I am quite an admirer of George Campbell. I think he has done a good job for his party and he too will be missed. I will not give him a kiss on the cheek, but I will miss him.
Senator Linda Kirk, from South Australia, is a seriously clever and able woman. She too is a great loss to the Labor Party. Again, I do not know the quality or nature of her replacement, but she is a woman whose professional training and background, and the way in which she was working in the Senate, would have enabled her to make a bigger and bigger contribution as time went on. I got to know her well. She has been a very able senator with a very good heart and a very sharp mind. If I were the Labor Party, I would not have deselected her. She will be missed and I say goodbye to her.

To my own colleagues, who have spoken tonight, it is a historic moment. Your last words will be recorded by the extraordinary service that we are given by Hansard. They provide a great service to us all. Your last handshake will be with the Senate transport team. Ian will probably be here tonight rather than Michael, and they will give you the smile and service they gave you every day. You will get the wonderful, warm service from Comcar both here and in your home state, as I have in my home state. Your last sense of the Senate will indeed be of Comcar, as they help you from your car. Then of course on Monday, the very efficient parliamentary services CPU will usher you out with a smile and a wave, and a big pair of scissors to cut off your entitlements! In my own state, I must say that Chris Pelzer and his team have been just terrific.

I will briefly talk about our South Australian senator first: Senator Stott Despoja. In Adelaide, I have a good luck talisman called Peter Davies, who helped me get elected. I am sure Senator Stott Despoja has a good luck talisman there. Of all the Democrat senators I have known since I have been here—the wonderful Meg Lees; the terrific Vicki Bourne; the amazing John Cherry; the good, kindly and spiritual John Woodley; Aden Ridgeway, with all his complexity and talent; Brian Greig from my own home state; and even Cheryl Kernot—I, and the other three Democrats who are still here, think that Natasha will probably be the only one who will really stay on the public stage. Since the day she did up her laces on her boots, the media have been fascinated with her. I think they will continue to be fascinated with her. Her sheer, extraordinary talents will ensure that she will march the public stage again, and I hope she does. I hope she will return to public life in a considerable way, once she has enjoyed her two children and a bit of relaxation, because she has a lot to offer Australia.

I suspect the other three of us will be less noted on the public stage, but Senator Bartlett has an extraordinary capacity for consistent, compassionate hard work, which I hope he uses to good effect. Like my great friend Lyn Allison, if I emailed late on a Saturday night or on a Sunday morning with particular material I wanted to get to him, bang would come back the reply. He was on that computer day in, day out and his diligence and application in this chamber is well known. He can be somewhat lugubrious, can Andrew. His speeches often read better than they are delivered, if I may say so. But he has got an amazing wit. He can be very, very funny. I think he has a great deal to offer Australia and I hope, leaving this place, will see many opportunities open for him.

Lyn Allison, I know, with her energy, commitment, diligence and character will continue to make a contribution. I am not sure in what areas. She too is an amazingly hardworking, consistent and very compassionate individual—underrated, I might say, by the media; underrated in terms of her contribution as a leader. We have done extraordinary work over this period in which she has been leader but, regrettably, the media were not interested in serious people doing substantial work and her efforts did not get
the recognition they deserved. I have enjoyed my time with my colleagues and I want to record a special note of appreciation.

**Senator Stephens** (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (7.47 pm)—Like you and many others here in the chamber, I have had the pleasure and the privilege of listening to the valedictory speeches of all the 14 retiring senators. It struck me that there are some themes running through those features, and I wanted to capture it tonight in what I call *The Spell of the Senate.*

They wanted the call, and they sought it. They debated the issues with flair; Gag and guillotine—they fought it. They spent many hours in their chair; They wanted the power and they got it. And leave—reputations intact.

Yet somehow, life’s not what they thought it. And the cards in the Senate are stacked. They came to make change (….. a good reason) They felt like exiles at first. They grappled with process first session. And then were the worst of the worst! It gripped them like some kind of sinning. It twists them from foes into friends; It seems it’s been thus since beginning. And surely will be to the end.

They sat through the long winter hours. Enduring the thund’rous debate; And witnessed when sunset clause powers. Brought righteousness, albeit late; They shared in the depths of great sorrow. Where grief marked the nation’s soul. And gathered in proud celebration. To acknowledge our First Nations’ role. This place where struggles seem nameless. And debates run to God knows where. They’re lives not erring or aimless, but enriched by the time spent here.

Tho’ the Democrats drift into twilight after thirty years for the brave. Their futures uncertain and shaken. Have they’ve hurled their youth into the grave? Let’s pay tribute to all our colleagues. Who move to horizons clear. And leave this a strong institution. the better for their presence here. So, comrades—do not go gently! As night surely follows each day. Your work will endure long beyond you. And your quiet achievements hold sway. Goodbye and God bless.

**The President** (7.50 pm)—I wish to draw this debate to a close tonight by acknowledging the enormous efforts of all of the senators who are retiring. I had the opportunity last night to speak after Senator Murray had made his valedictory speech. Even more fortunately, I had the opportunity to express my personal observations about the contributions that have been made by each of the retiring senators at a dinner that we had in the President’s dining room last week for them. I am not going to go over what I said before, partly because I cannot remember what I said that night!

**Senator Webber**—It was good.

**The President**—Thank you, Senator Webber. But I do want you to know how difficult it is to encapsulate in a debate that lasts for just over two hours the enormous contribution that has been made, particularly by the five senators that we are talking about tonight. I have been in this place for 16 years, and for almost all of that time the Democrats had the balance of power. The Democrats were the people you had to convince to vote with you. As I said last night, I have formed close friendships particularly with...
Senator Murray but also with Senator Stott Despoja. I knew Senator Stott Despoja’s husband, Ian, before I knew her, back in the days when he was press secretary for the then Leader of the Opposition in South Australia. We used to meet regularly on Friday mornings. If you had told me when I first met Natasha that she and Ian would finish up as husband and wife, I would have been very surprised. But I am not surprised in the long run because they are two wonderful people who see a lot in each other that goes beyond politics and their personal beliefs. I certainly wish them well as they raise their young family with some time to themselves.

We often talk about the need in this place for child care and all of those other facilities that help make it possible for working women in particular to do their job. I have a firm personal view that there is nothing like having a mum at home looking after the children—even though dads have to do it as well. I think that is a special bond. I know in the case of my own three children that when they rush home from school they come in the driveway yelling out, ‘Mum! Mum! Mum!’ You know well the joy that that gives as part of the parenthood process. I am sure that Ian and Natasha will enjoy that.

To Senator Allison and Senator Murray, who are both here, and to Senator Bartlett, Senator Stott Despoja and Senator Nettle, as I said, I managed to speak about each of you at the dinner last week, but I want on behalf of the Senate to wish you all well.

**Senate adjourned at 7.53 pm**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- Treaties—**Multilateral**—

**Tabling**

The following documents were tabled by the Clerk:

- [Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]
  - Customs Act—Tariff Concession Order 0803929 [F2008L02109]*.
  - Financial Management and Accountability Act—Determinations—
    - 2008/31—Section 32 (Transfer of Functions from DBCDE to DIISR) [F2008L02225]*.
    - 2008/32—Section 32 (Transfer of Functions from the former DCITA to DIISR) [F2008L02224]*.
    - 2008/33—Section 32 (Transfer of Functions from DBCDE to Environment) [F2008L02223]*.

Industrial Chemicals (Notification and Assessment) Act—Select Legislative Instrument 2008 No. 115—Industrial Chemicals (Notification and Assessment) Amendment Regulations 2008 (No. 1) [F2008L001320]*.

Insurance Act and Financial Sector Legislation Amendment (Discretionary Mutual Funds and Direct Offshore Foreign Insurers) Act—Select Legislative Instrument 2008 No. 125—Insurance Amendment Regulations 2008 (No. 1) [F2008L002169]*.


Patents Act and Trade Marks Act—Select Legislative Instrument 2008 No. 122—Patents and Trade Marks Legislation Amendment Regulations 2008 (No. 1) [F2008L002119]*.

Private Health Insurance Act—Private Health Insurance (Benefit Requirements) Rules 2008 (No. 2) [F2008L002206]*.


Governor-General's Proclamation—Commencement of Provisions of an Act

Telecommunications (Interception and Access) Amendment Act 2008—Items 20 to 25 of Schedule 1—1 July 2008 [F2008L002096]*.

* Explanatory statement tabled with legislative instrument.