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the Senate and committee hearings are available at

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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—THIRD 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. John Joseph Hogg
Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson
Temporary Chairs of Committees—Senators Guy Barnett, Thomas Mark Bishop,
Carol Louise Brown, Patricia Margaret Crossin, Concetta Anna Fierravanti-Wells,
Michael George Forshaw, Gary John Joseph Humphries, Annette Kay Hurley,
Stephen Patrick Hutchins, Barnaby Thomas Gerard Joyce, Gavin Mark Marshall,
Claire Mary Moore, Stephen Shane Parry, Hon. Judith Mary Troeth and Russell Brunell Trood
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 Fiona Joy Nash
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, Donald Edward Farrell and
Anne McEwen

Liberal Party of Australia Whips—Senators Stephen Shane Parry and Judith Anne Adams
The Nationals Whip—Senator Fiona Joy Nash
Australian Greens Whip—Senator Rachel Mary Siewert
Family First Party Whip—Senator Steve Fielding

Printed by authority of the Senate
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(1) Chosen by the Parliament of South Australia to fill a casual vacancy vice Amanda Eloise Vanstone, resigned.
(2) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Ian Campbell, resigned.
(3) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

PARTY ABBREVIATIONS

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 Finance and Deregulation Hon. Lindsay Tanner MP
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 Infrastructure, Transport, Regional Development and Local Government and Leader of the House Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research Senator Hon. Kim Carr
Minister for Climate Change and Water Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts Hon. Peter Garrett AM, MP
Attorney-General Hon. Robert McClelland MP
Minister for Human Services and Manager of Government Business in the Senate Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism Hon. Martin Ferguson AM, MP

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

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<td>Minister for Home Affairs</td>
<td>Hon. Bob Debus MP</td>
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<tr>
<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
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<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<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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<tr>
<td>Minister for Youth and Minister for Sport</td>
<td>Hon. Kate Ellis MP</td>
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<tr>
<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
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<td>Parliamentary Secretary for Defence Procurement</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>Parliamentary Secretary for Defence Support</td>
<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>Parliamentary Secretary for Disabilities and Children’s Services</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<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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<tr>
<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
Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations
Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government
Leader of the Opposition in the Senate and Shadow Minister for Defence
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research
Shadow Treasurer
Manager of Opposition Business in the House and Shadow Minister for Health and Ageing
Shadow Minister for Foreign Affairs
Shadow Minister for Trade
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector
Shadow Minister for Agriculture, Fisheries and Forestry
Shadow Minister for Human Services
Shadow Minister for Education, Apprenticeships and Training
Shadow Minister for Climate Change, Environment and Urban Water
Shadow Minister for Finance, Competition Policy and Deregulation
Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship
Shadow Minister for Broadband, Communications and the Digital Economy
Shadow Attorney-General
Shadow Minister for Resources and Energy and Shadow Minister for Tourism
Shadow Minister for Regional Development, Water Security

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

[The above constitute the shadow cabinet]
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<th>Shadow Ministry Role</th>
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<td>Shadow Minister for Justice and Border Protection; Assisting Shadow Minister for Immigration and Citizenship</td>
<td>Hon. Chris Pyne MP</td>
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<td>Shadow Special Minister of State</td>
<td>Senator Hon. Michael Ronaldson</td>
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<td>Shadow Minister for Small Business, the Service Economy and Tourism</td>
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<td>Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs</td>
<td>Hon. Sharman Stone MP</td>
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<td>Shadow Assistant Treasurer and Shadow Minister for Superannuation and Corporate Governance</td>
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<tr>
<td>Shadow Minister for Ageing</td>
<td>Margaret May MP</td>
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<tr>
<td>Shadow Minister for Defence Science and Personnel; Assisting Shadow Minister for Defence</td>
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<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for Youth and Sport</td>
<td>Hon. Pat Farmer MP</td>
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<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary</td>
<td>Don Randall MP</td>
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<td>Shadow Parliamentary Secretary for Ageing and the Voluntary Sector</td>
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<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
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Thursday, 4 September 2008

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

TAX LAWS AMENDMENT (LUXURY CAR TAX) BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—GENERAL) AMENDMENT BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—CUSTOMS) AMENDMENT BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—EXCISE) AMENDMENT BILL 2008

Second Reading

Recommittal

Senator ELLISON (Western Australia) (9.31 am)—I seek leave to have the votes on the second reading of the Tax Laws Amendment (Luxury Car Tax) Bill 2008 and related bills recommitted.

Leave granted.

Question put:

That the bills be now read a second time.

The Senate divided. [9.31 am]

(The President—Senator the Hon. JJ Hogg)

Ayes............. 33

Noes............. 34

Majority......... 1

AYES

Arbib, M.V. Bilyk, C.L.
Bishop, T.M. Brown, B.J.
Brown, C.L. Cameron, D.N.
Collins, J. Crossin, P.M.
Farrell, D.E. Faulkner, J.P.
Feeney, D. Forschaw, M.G.
Furner, M.L. Hanson-Young, S.C.
Hogg, J.J. Hurley, A.
Hutchins, S.P. Ludlam, S.
Ludwig, J.W. Landy, K.A.
Marshall, G. McEwen, A. *
McLucas, J.E. Milnor, C.
Moore, C. O’Brien, K.W.K.
Polley, H. Pratt, L.C.
Siewert, R. Stephens, U.
Sterle, G. Wortley, D.
Xenophon, N.

NOES

Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Bushby, D.C.
Cash, M.C. Colbeck, R.
Coonan, H.L. Ellison, C.M.
Ferguson, A.B. Fielding, S.
Ferravanti-Wells, C. Fifield, M.P.
Fisher, M.J. Heffernan, W.
Humphries, G. Johnston, D.
Joyce, B. Kroger, H.
Mason, B.J. McGauran, J.J.J.
Minchin, N.H. Nash, F.
Parry, S. * Payne, M.A.
Ronaldson, M. Ryan, S.M.
Scullion, N.G. Troeth, J.M.
Troom, R.B. Williams, J.R.

PAIRS

Carr, K.J. Macdonald, I.
Conroy, S.M. Cormann, M.H.P.
Sherry, N.J. Birmingham, S.
Wong, P. * Eggleston, A.

* denotes teller

Question negatived.

PETITIONS

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

Palm Oil Products

Palm Oil Action Group (POAG)

Petition for Compulsory Labelling of Palm Oil Ingredients

To The Honourable President and members of the Senate in Parliament assembled:

The petition of the undersigned shows:

We wish to express our concern for the use of palm oil in Australia and the current policy on labelling of palm oil in products. The use of palm oil is associated with serious environmental con-
sequences in Indonesia and Malaysia. Primary
rainforest is being cleared to make way for palm
oil plantations, destroying the habitat of highly
endangered species like the orangutan. Of addi-
tional concern are the health issues related to the
consumption of palm oil, which is high in satu-
rated fat. Palm oil is often labelled on ingredient
lists as a generic ‘vegetable oil’, limiting the abil-
ity of consumers to make informed purchases. We
feel that this breaches the Regulatory Objectives
of the Food Standards Australia and New Zealand
(FSANZ). FSANZ must provide for the protec-
tion of public health and safety by providing ade-
quate information relating to food, thereby ena-
bling consumers to make informed choices.

Your petitioners request that the Senate:

• Implement policies to ensure the labelling of
  products containing palm oil.
• Work for a certification system for sustain-
  able palm oil, and regulate to prevent the im-
  port of non-certified palm oil.
• Support the Indonesian Government in stop-
  ping the clearance of primary forest.

by Senator Bob Brown (from 4,077 citi-
zens)

Marriage Legislation
Amendment of Federal Marriage Act 1961 to
Invalidate States’ and Territories’ Relationship
Registers
To the Honourable the President and Members of
the Senate in Federal Parliament assembled:
The petitioners and citizens of Australia draw to
the attention of the Senate that

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

(2) This reinforced the Biblical norm of hetero-
sexual marriage, which has been the corner-
stone of every civilization since the begin-
ning of humanity.

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

(4) The establishing of Relationship Registers in
the States and Territories will inevitably ex-
and the above definition of marriage (para.
1) into meaninglessness, and so compromise
the purpose of the Marriage Act.

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

*Genesis 1:27; Matthew 19:4-6; Leviticus 18:22;
Romans 1:18-27

by Senator Trood (from 17 citizens)

Petitions received.

NOTICES
Presentation

Senator Milne to move on the next day of
sitting:

That the following bill be introduced: A Bill
for an Act to amend the Energy Efficiency Oppor-
tunities Act 2006 to require the implementation of
identified energy efficiency opportunities, and for
related purposes. Energy Efficiency Opportuni-
ties Amendment (Mandatory Implementation) Bill 2008.

BUSINESS
Rearrangement

Senator LUDWIG (Queensland—
Manager of Government Business in the
Senate) (9.39 am)—I move:

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

No. 4 Financial Framework Legislation
Amendment Bill 2008.

No. 5 Aviation Legislation Amendment
(International Airline Licences and
Carriers’ Liability Insurance) Bill
2008.

No. 6 Aviation Legislation Amendment
Offshore Petroleum Amendment (Datum) Bill 2008.

Question agreed to.

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.40 am)—I move:

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

(a) general business order of the day no. 36 relating to rural and regional Australia; and
(b) orders of the day relating to government documents.

Question agreed to.

HORSE DISEASE RESPONSE LEVY BILL 2008

HORSE DISEASE RESPONSE LEVY COLLECTION BILL 2008

HORSE DISEASE RESPONSE LEVY (CONSEQUENTIAL AMENDMENTS) BILL 2008

Referral to Committee

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (9.40 am)—I move:

That the following bills be referred to the Rural and Regional Affairs and Transport Committee for inquiry and report by 3 October 2008:

Horse Disease Response Levy Bill 2008
Horse Disease Response Levy Collection Bill 2008
Horse Disease Response Levy (Consequential Amendments) Bill 2008.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.41 am)—by leave—The constructive way of dealing with bills is to use the Selection of Bills Committee. The Selection of Bills Committee is the appropriate place for these bills to be referred off to committee rather than the process of using the Senate floor to move motions like this. The Selection of Bills Committee is where we can adequately deal with bills like this and then structure days in the future for bills and schedule them, which is why we have a Selection of Bills Committee. I raise this point just in case new senators, and old senators for that matter, may have forgotten that there is a Selection of Bills Committee, which meets on Tuesday. If you find that there is a bill that comes in and you want it urgently dealt with, we can reconvene the Selection of Bills Committee. The whips know this and I am just unsure why people are using this format rather than the appropriate way we deal with things. Perhaps the opposition can take note of that.

Question agreed to.

PROTECTING CHILDREN FROM JUNK FOOD ADVERTISING (BROADCASTING AMENDMENT) BILL 2008

First Reading

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.42 am)—I move:

That the following bill be introduced: A Bill for an Act to amend the Broadcasting Services Act 1992 and the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004 to encourage healthier eating habits among children and to prohibit the broadcasting of advertisements for junk food during certain times, and for related purposes.

Question agreed to.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.43 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 BOB BROWN (Tasmania—Leader of the Australian Greens) (9.44 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

PROTECTING CHILDREN FROM JUNK FOOD ADVERTISING (BROADCASTING AMENDMENT) BILL 2008

This bill amends the Broadcasting Services Act 1992 and the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004 to encourage healthier eating habits among children and to prohibit the broadcasting of advertisements for junk food during certain times.

This bill revises a bill by the same title first introduced by Senator Lyn Allison of the Australian Democrats in 2006. This bill will ensure that the advertising of junk food and beverages on television during children’s viewing times are disallowed as is the advertising of alcoholic drinks. The bill allows for the exemption of food and beverages which are deemed by the Minister for Health to be beneficial to children’s health, guided by the FSANZ nutrient profile of healthy foods and beverages. Additionally, it ensures that these standards will apply in all circumstances and will not be included in the exemptions under the provisions of the Broadcasting Legislation Amendment (Digital Television) Act 2006.

The bill also places restrictions on the advertising in schools of companies whose principal activity is the manufacture, distribution or sale of junk food.

Obesity is a significant problem in Australia. Studies show that between 1985 and 1997 the combined rate of overweight and obesity in Australia doubled and obesity among young Australians (7–15 years) trebled. Indications are that the trend to overweight and obese children is not merely increasing but accelerating. On current trends, the rate of childhood overweight and obesity is expected to double over the next 30 years, reaching around 60 percent.

Obesity is a problem that the parliament can no longer afford to ignore. According to the Australian Medical Association the rise in childhood obesity may, for the first time in Australian history, result in a decline in the life expectancy of newborns. Access Economics estimates the financial costs of obesity in 2008 at $8.2 billion. The report calculates the net cost of lost wellbeing (including the dollar value of the burden of disease on individuals) as a result of conditions associated with obesity like diabetes, heart disease and various types of cancer, as well as lost productivity, adds up to a total financial burden of $58 billion a year.

Childhood obesity is a complex issue with many causal factors. An advertising ban alone will not eliminate the problem of obesity but it is a sensible first step that has the support of health experts, including doctors, community groups and, most importantly, parents. A study reported in the August issue of the Australian and New Zealand Journal of Public Health of parental awareness and attitudes found that there was widespread parental concern about food advertising aimed at children and strong support for tighter restrictions. Almost 80 percent of respondents were concerned about the volume of advertisements and 68 percent were concerned about the methods used to market unhealthy food to children. 87 percent supported a ban on unhealthy food advertising during children’s viewing times. The 2007 survey commissioned by the Coalition on Junk Food Advertising to Children (CFAC) found that 90 percent of parents agreed that advertising food high in fat, sugar and salt directly to children was ‘unconscionable’. In 2004 an Australia Institute study found that 86 percent of people wanted more limits on advertising to children.

The evidence showing that children are susceptible to what they see on television is growing. Food advertising directly influences children’s choices and increases their requests for foods that are high in fat, sugar and salt. A 2003 review of the international literature on the impact of food advertising to children concluded that children under 12 did not have the cognitive ability to understand the concepts of marketing. The study
further concluded that food promotion directly affects children’s food preferences, purchases (or what they ‘pester’ their parents to buy) and what they eat.

It has been estimated that the average Australian child watches 96 food advertisements a week, 63 of which are for high fat or high sugar foods. In 2006 the NSW Cancer Council found that food advertisers were deliberately targeting children, with 194 separate breaches of the Children’s Television Standards code of practice, involving mainly giveaways and prizes. It also found that 81 percent of food advertisements shown on commercial TV are for foods that are typically high in fat, sugar or salt and are of low nutritional value, like fast food, soft drinks and ice cream.

Many parents do not have the knowledge or the time or the energy to resist the constant ‘pestering’ by their children or the misinformation directed at children through junk food advertising. The parliament should regulate the junk food industry to protect the health of Australian children.

Restrictions on junk food advertising to children exist in the United Kingdom, New Zealand, Denmark and Sweden, as well as in Quebec in Canada. The South Australian and Queensland governments have recently announced they will introduce bans on junk food during children’s televisions shows.

It is remarkable that, in the face of alarming statistics on the increase in childhood obesity in Australia and the international trend to tightly regulate junk food advertising to children, the Australian Communications and Media Authority recently rejected calls for further restrictions in its draft review of the Children’s Television Standards. ACMA’s statement said “existing research does not clearly demonstrate a causal relationship between any of these factors [food and beverage advertising] and obesity”. The failure of the ACMA to act on this critical issue was condemned by the Australian Medical Association and the community organisation, the Parents’ Jury.

Schedule 2 of this bill introduces a ban on junk food advertising in schools. It is important that healthy eating is promoted in schools as well as homes. The bill introduces a ban on advertising and sponsorship deals between schools and food and beverage manufacturers and distributors as a condition of financial assistance.

The measures in this bill alone will not solve the terrible problem of childhood obesity but they are a critical component of the comprehensive plan that is required. The time for acquiescing to the interests of powerful lobby groups has passed.

I commend this bill to the Senate.

Senator BOB BROWN—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ATMs AND CASH FACILITIES IN LICENSED VENUES BILL 2008

First Reading

Senator XENOPHON (South Australia) (9.44 am)—I move:

That the following bill be introduced: A Bill for an Act to limit ATM and cash facilities in licensed venues, and for related purposes.

Question agreed to.

Senator XENOPHON (South Australia) (9.44 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 XENOPHON (South Australia) (9.45 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——

ATMs AND CASH FACILITIES IN LICENSED VENUES BILL 2008

The purpose of the ATMS and Cash Facilities in Licensed Venues Bill 2008 is to limit and reduce the installation of automatic teller machines and cash facilities in licensed venues.
The bill does not restrict access to funds for purposes other than the withdrawal of cash so any argument that removing ATMs from licensed venues will inconvenience patrons wanting to pay for their meals, drinks, accommodation and the like at licensed venues electronically is fatuous. Rather, this bill addresses the problem highlighted in the report of the Productivity Commission and that commissioned by the ACT Gambling and Racing Commission, by introducing measures which will minimise the harm caused to the most vulnerable gamblers who are disproportionately also the highest users of ATMs.

The Productivity Commission last reported on the issue of gambling in 1999. In its National Gambling Survey, the Productivity Commission found that problem gamblers were significantly more likely than non-problem players to withdraw money from an ATM at a venue whilst playing poker machines. In assessing the degree to which problem gamblers use ATMs relative to recreational gamblers, the Productivity Commission found that the large bulk of recreational players never used an ATM at a venue when playing the poker machines, while the large bulk of problem gamblers did use an ATM, with one in five problem gamblers always doing so. At table 16.7 of the report, the questions was asked, 'How often do you withdraw money from an ATM at a venue when you play the poker machines?'. In response, 78.2% of non-problem players said 'never', 11.8% said 'rarely' and 5% said 'sometimes'. Only 1.4% said 'often', 3.2% said 'always' and 0.4% could not say. For problem gamblers with a SOG score of 5 and above, which is the threshold for problem gambling, 34.6% said 'never', 12.4% said 'rarely', 15.1% said 'sometimes', 16.5% said 'often' and 21.3% said 'always'. In relation to problem gamblers with a SOGS score of 10-plus, 18.2% said 'never', 7% said 'rarely', 16.1% said sometimes, 34.8% said 'often', and 23.9% said 'always'. (The South Oaks Gambling Screen (SOGS) is a particular set of questions that is used to determine whether a person is a problem gambler. A score of 5 or more suggests a person is a problem gambler and a score of 10 or more suggests a person is a severe problem gambler.)

Overall, problem gamblers surveyed by the Commission ranked ‘ATM location’ as one of the most important issues for effective harm minimisation with 37.8% of problem gamblers (SOG 5+) and 58.7% of problem gamblers (SOGS 10+) reporting that they often or always withdrew money from an ATM at a venue when playing poker machines compared to 4.6% of non-problem players.

The more recent report “The Use of ATMs in ACT Gaming Venues: An Empirical Study”, commissioned by the ACT Gambling and Racing Commission and published in September 2004, found that regular and problem gamblers access ATMs at gaming venues more frequently than recreational and non-gamblers. It also showed that a staggering 60% of self-identified problem gamblers usually access ATMs at clubs. This is compared with only 25% of regular gamblers, 12.7% of recreational gamblers and 5.2% of non-gamblers who reported accessing an ATM at a club. Sixty percent of those self-identified problem gamblers also reported withdrawing more than $100 as compared with ATM withdrawals of less than $100 for all other gambler groups.

The Tasmanian experience also highlights the benefits of removing ATMs from licensed venues. Unlike other States and Territories, Tasmania doesn’t have ATMs in its pubs and clubs and their losses per capita are significantly less than the rest of the country. For instance, figures from the 24th edition of Australian Gambling Statistics show that for 2005-2006, the turnover per machine in Tasmania was $397 095 compared with $582 549 for South Australia. The turnover for gaming machines per capita for Tasmania was $2575 compared with $6100 for South Australia. While there are other influences that may have had an impact on these figures, the absence of ATMs must be a significant factor.

My own personal discussions with gambling counsellors and problem gamblers over the years have backed up the research showing a link between easy access to ATMs and gambling addiction.

This bill alone will not eliminate problem gambling. However, at the very least, by limiting access to cash inside a venue, gamblers will, in
many instances, have time to reflect on their actions and think twice about withdrawing money from an ATM at another location to continue gambling.

As mentioned in my first speech, I was heartened by the Prime Minister’s comments about the effects of poker machines when he said he hated them and knew something of their impact on families.

The fact that close to 250,000 Australians are poker machine problem gamblers and that for every problem gambler there are seven other people affected in some way, should be of great concern to us all. I hope there will be bipartisan support for this bill.

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

Leave granted; debate adjourned.

EMERGENCY ASSISTANCE FUND FOR THE LOWER LAKES AND COORONG REGION OF SOUTH AUSTRALIA BILL 2008

First Reading

Senator FISHER (South Australia) (9.45 am)—I move:

That the following bill be introduced: a Bill for an Act concerning the provision of emergency assistance for the communities of the Lower Lakes and Coorong region of South Australia.

Question agreed to.

Senator FISHER (South Australia) (9.45 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 FISHER (South Australia) (9.45 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

EMERGENCY ASSISTANCE FUND FOR THE LOWER LAKES AND COORONG REGION OF SOUTH AUSTRALIA BILL 2008

The Emergency Assistance Fund for the Lower Lakes and Coorong Region of South Australia Bill 2008 [No 2] aims to make provision for emergency funding by the Commonwealth to assist the communities in the Lower Lakes and Coorong region of South Australia.

The bill seeks to establish the Lower Lakes and Coorong Assistance Scheme, which will provide $50 million of emergency assistance to the lower lakes and Coorong region communities.

The bill requires the responsible minister to determine written guidelines for operation of the scheme. In order to develop guidelines for the scheme, the minister must consult with the local people, local businesses and local communities of the region. This consultation will determine how to allocate the $50 million, ensuring that this assistance is for local people and driven by local people.

The $50 million assistance scheme will provide real and immediate assistance for local people, businesses, communities and wildlife to deal with the ongoing record low levels of water in the region. The local farmers can no longer access water for domestic and stock purposes, let alone irrigation, and many in the viticulture industry have been similarly affected. Boat ramps, jetties and moorings are stranded, posing significant challenges and hardship to the fishing and boating industries.

There is a flow-on effect to the businesses dependent on farmers and the boating industry, such as machinery and boat dealerships, boat builders and repairs, to mention but a few. There has been a substantial fall in visitors to the area, and consequently reduced cash flows to small businesses and local communities. Local wildlife is dying due to the associated impacts of the lack of water and declining water quality, such as the Murray turtles, which are being attacked by saltwater tube worms.

The Coalition has been calling for financial assistance for the local communities since early April.
This assistance could be used for the carting of water for domestic and stock use; money to establish a rescue plan for the Murray turtles; assistance to schoolchildren who have been trying to save the turtles; a boat lift; assistance for small business in the form of rent relief, or in developing new markets or products and services; and assistance for retraining and skills development.

It is time for the Prime Minister, Senator Wong and the government to stop watching and start acting. They can do this by supporting this bill and supporting $50 million of real and immediate action for the lower lakes and Coorong communities.

Unfortunately, wall-to-wall Labor has meant wall-to-wall failure to take decisive action on the Murray-Darling Basin and on the lower lakes and the Coorong. Through a process of committees, reviews and political game-playing, Labor have stalled for nine long months, while the viability of the region slowly ebbs away.

The Prime Minister, Senator Wong and Senators opposite need to support this $50 million assistance fund, and the Prime Minister needs to immediately convene an emergency COAG meeting to sign a fresh intergovernmental agreement that refers state and territory power over the Murray-Darling Basin to the Commonwealth, as the Coalition first proposed in January 2007.

After all of the hot air, after all of the talk, we still in Australia in 2008—nine months into the Rudd government—do not have full Commonwealth control of the Murray-Darling Basin system. There is much else that the Prime Minister and Senator Wong need to do. In the interests of the Murray-Darling Basin communities, the environment and particularly the lower lakes and Coorong region communities, it is time to stop watching; it is time to act. It is time to put $50 million into the lower lakes and Coorong communities. It is time to make real decisions that deliver water, relief and much-needed assistance to these men and women, who are struggling in the midst of an environmental, economic and social disaster.

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

Leave granted; debate adjourned.
Siewert so we are opposing the motion but placing on record our ongoing commitment to Landcare, which was introduced by Labor in 1992.

Question agreed to.

COMMITTEES
Publications Committee

Report

Senator CAROL BROWN (Tasmania)

(9.48 am)—I present the fourth report of the Publications Committee.

Ordered that the report be adopted.

BUDGET
Consideration by Estimates Committees

Additional Information

Senator McEWEN (South Australia)

(9.49 am)—On behalf of the respective chairs, I present additional information received by committees relating to estimates.

Community Affairs—2 volumes
Economics Committee—4 volumes
Environment, Communications, Information Technology and the Arts Committee—3 volumes
Finance and Public Administration Committee—4 volumes
Rural and Regional Affairs and Transport Committee—2 volumes

COMMITTEES
Australian Crime Commission Committee

Report

Senator HUTCHINS (New South Wales)

(9.49 am)—I present the report of the Parliamentary Joint Committee on the Australian Crime Commission on the review of the Australian Crime Commission Amendment Act 2007, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator HUTCHINS—I move:

That the Senate take note of the report.

I rise to table the report of the Parliamentary Joint Committee on the Australian Crime Commission on the inquiry into the Australian Crime Commission Amendment Act 2007. Before I report on the committee’s findings, I want to thank my colleagues on the committee for the work that they have put into this inquiry. I thank Senators Barnett, Parry and Polley, along with our colleagues from the other place: the deputy chair, Mr Wood; along with Mr Champion, Mr Gibbons, Mr Hayes and Mr Pyne. I also want to thank all those who took the time to make submissions to the inquiry, both oral and written. A special thank you needs to go to the Commonwealth Ombudsman, whose report into the ACC’s use of its examination powers the committee found very enlightening. Finally, the committee thanks the committee secretariat, headed up by Dr Jacqueline Dewar and supported by Monica Sheppard and Jill Sedaitis, for all of the assistance that they have provided.

This report is the culmination of a six-month-long examination into the provisions and operation of the Australian Crime Commission Amendment Act 2007, which was passed in this place on 18 September 2007 and then again two days later in the other chamber. For those senators who remember, the amendment act was read for a first, second, and third time in one day after standing order 111 was suspended. At the time, a number of concerns were expressed about the lack of opportunity for consideration of the substance of the bill. Consequently, Labor members and senators pledged that, if elected, they would undertake to properly scrutinise the provisions of this bill and make any appropriate changes. Once the parliamentary joint committee was reconstituted, members as promised undertook to review the substance of the amendment act. I believe that the committee’s findings vindicate...
those who voiced their objections in this place almost a year ago.

The amendment act was formulated in response to a decision by Mr Justice Smith in the Supreme Court of Victoria who determined in no uncertain terms that whenever an Australian Crime Commissioner examiner issues a summons the reasons for the summons must be noted in writing prior to it being issued. The state of the law at that time required examiners to put their reasons in writing but with no explicit requirement in the legislation as to when. Justice Smith’s decision clarified this point, putting into question the legality of a number of summonses that had been issued without recording the reasons before the summonses had been issued. This, the government argued at the time, would jeopardise a number of prosecutions already on foot. The parliament was told on one occasion that 600 summonses or notices and 30 prosecutions could be challenged based on the Smith decision. The then government’s solution was the amendment act which changed the law so that the reasons for a summons being issued could be recorded in writing before, at the time of, or after the summons was issued. This was to operate retrospectively so that the prosecutions already on foot would not be impacted.

It is the firm belief of the committee that these changes were implemented primarily to cover the tracks of some examiners whose methods in issuing summonses and recording their reasons were outside the requirements of the existing legislation as interpreted by Justice Smith. The committee has found that the justifications for this legislation were questionable and not supported by the evidence before us. We have consequently recommended that most of the substantive provisions of the Australian Crime Commission Amendment Act 2007 be repealed.

The committee commends 10 recommendations to the government. At this point I would like to highlight a few of them. Recommendation 2 calls for the ‘amendments made to part 2, division 2 subsection 28, No. 1A and subsection 29, No. 1A of the Australian Crime Commission Act 2002 by the Australian Crime Commission Amendment Act 2007 be repealed, but that those subsections be amended to ensure that the reasons for the decision must be recorded in writing before the issuing of a summons or notice’. This recommendation really goes to the heart of the matter. Ultimately, there needs to be a clarification in statute as to what point in time it is acceptable to record reasons for a decision to issue a summons or notice.

Recommendation 2 suggests that Justice Smith’s decision requiring reasons to be recorded before a summons is issued be followed and affirmed through an amendment to the act. The committee believes that the best practice of any federal executive agency exercising coercive powers should be the recording of a brief memorandum outlining the reasons for a decision to employ coercive means. It was argued throughout the course of the hearings that in urgent matters, recording reasons was impractical. The committee does not accept this view.

Recommendation 3 calls for part 2, division 2, subsection 28(8) and subsection 29(5) of the Australian Crime Commission Act 2002 to be repealed. The practical effect of recommendation 3 is that failure to record reasons should invalidate a summons or notice to produce. The committee believes this to be particularly necessary because without an imperative for examiners to record reasons for their decisions there is no proper scrutiny of their decisions. Their exercise of executive coercive powers would go completely unchecked by any sort of accountability mechanism. Contrary to the arguments by the government at the time, the
Attorney-General’s Department and the commission itself, these are not technical requirements. These are accountability measures that are fundamental to the exercise of power and are essential for the protection of the rights and freedoms of Australian citizens. Recommendations 1, 4, 9, and 10 together support the expansion of the Commonwealth Ombudsman’s powers to give it the ability to hear complaints, look at ACC records and report to the parliament and the parliamentary joint committee on the activities of the commission.

The last recommendation I wish to draw the Senate’s attention to is recommendation 5. Recommendation 5 deals with sections 10 and 12 of the amending act. The operation of these sections retrospectively validates any summonses and notices issued prior to the amending act coming into effect. Recommendation 5 calls for the repeal of sections 10 and 12 of the amending act. However, this recommendation recognises that there are a number of prosecutions on foot that would or could be jeopardised should the summonses and notices issued in reliance on these sections suddenly be invalidated. Recommendation 5 proposes to preserve the integrity of the summonses and notices issued but calls for the immediate discontinuation of the practice of retrospectively recording reasons for the issue of summonses. This is in line with recommendation 2.

I would like to make a final observation regarding the culture and behaviour of the Australian Crime Commission that the committee was made aware of during the course of this inquiry. When Justice Smith’s decision was handed down, prompting the then government to introduce the amending act, the ACC made no attempt to notify the parliamentary joint committee, the parliamentary oversight body of the commission. As the chair of that committee, I find it particularly concerning that when the commission believes that legislative change is required to ensure that it is able to operate effectively it does not even bother to inform its parliamentary oversight committee. This behaviour shows contempt for the committee and its role and I hope the commission will act differently if such an occasion ever arises again. This committee exists for a reason and should not be circumvented. Mr President, I table this report and encourage senators to give it due consideration.

Debate interrupted.

TAX LAWS AMENDMENT (LUXURY CAR TAX) BILL 2008
A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—GENERAL) AMENDMENT BILL 2008
A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—CUSTOMS) AMENDMENT BILL 2008
A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—EXCISE) AMENDMENT BILL 2008

Second Reading
Recommittal

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop)—I have been advised by the Government Whip that the Opposition and Government Whips have met in respect of the outcome of the vote on the Tax Laws Amendment (Luxury Car Tax) Bill 2008 and related bills. I am advised that it is agreed between the Government and Opposition Whips that the outcome was 34 ayes and 34 noes. Accordingly, the matter is lost.

COMMITTEES

Australian Crime Commission Committee Report

Debate resumed.

Senator POLLEY (Tasmania) (10.00 am)—I rise to speak on the report handed down by the chair of Parliamentary Joint
Committee on the Australian Crime Commission on the review into the Australian Crime Commission Amendment Act 2007. Following on from the comments of Senator Hutchins—and I place on record my total agreement with the comments he has made on this report—I would like to focus on a particular aspect of the report—that is, the retrospective provisions of the amending act.

The committee heard from the Australian Crime Commission that they believed that the ruling in August 2007 by Justice Smith in the Victorian Supreme Court had potentially extensive prejudicial implications. For a summons to be valid, the reasons for its issue must be recorded in writing prior to its issue. There was apparently a routine practice of recording reasons for summonses after their issue. Mr Alastair Milroy, the CEO of the ACC, said at our June 2008 hearings:

... the judge's comments raise a doubt about the validity of substantially all of the 5,000 summonses and notices issued by the ACC since its establishment in 2003.

The parliament was told by Senator Johnston on the introduction of the amending act in September 2007 that up to 600 summonses and notices could have been affected by Justice Smith’s decision. However, the parliamentary joint committee asserts that information and material obtained through a summons or notice not in strict compliance with the act would not necessarily have been affected by Justice Smith’s decision. Of course, the PJC has no reason to believe that any of the summonses or notices would not have held up to judicial scrutiny. It is obvious that the ACC, the government of the day and the parliament itself had genuine concerns for the passing of the amending act.

The committee also found that there is a real risk that persons who have previously failed to comply with an invalid summons would be retrospectively liable to serious criminal sanction. Sections 10 and 12 of the amending act work to validate summonses that would otherwise have been void. As a result, citizens have not only been denied the right to challenge the Australian Crime Commission, but it is now a crime to do so. In addition, evidence obtained from a previously unlawful summons notice can now be used to sanction an individual who was not necessarily required to produce evidence. The obligation to cooperate with Australian Crime Commission examiners arises upon the serving of a valid summons.

We as a committee are aware that there is a real and pressing need to prosecute serious crime. However, as Australians, offenders have a right to challenge the means by which evidence is obtained—a right, I believe, that all in this chamber would support. The PJC has also found that, by amending the act, a number of other issues were raised regarding various international treaty obligations. I believe that the International Covenant on Civil and Political Rights was one of those mentioned in the report. That is why the committee believe that the department must be more vigilant regarding Australia’s international and human rights obligations when considering legislative matters such as the amending act and sections 28(1A) and 29(1A).

All these issues have given rise to the recommendations of the PJC that sections 10 and 12 of the amending act be repealed, since they obviously consist of retrospective legislation which is inappropriate in all but the most exceptional cases. The committee has also made a number of other findings. However, I believe the issue of retrospective legislation is extremely important. That is why I am pleased that the committee chose to recommend the repeal of the relevant sections.
In conclusion, I add my thanks, along with those of the chair of the committee, to the PJC secretary, the secretariat staff and all those who worked to put this report together. I would particularly like to acknowledge the witnesses and those who made submissions. I also add my thanks to the chair of the committee and my fellow members for all their work over that extensive period of time in preparing what I believe was a very important report. I commend the report to the Senate. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Treaties Committee Report

Senator NASH (New South Wales) (10.04 am)—On behalf of the Joint Standing Committee on Treaties, I present report no. 93 of the committee, treaties tabled on 12 March and 14 May 2008, and move:

That the Senate take note of the report.

I seek leave to incorporate the tabling statement in Hansard.

Leave granted.

The statement read as follows—

Report 93 contains the Committee’s findings on four treaty actions tabled on 12 March 2008 and 14 May 2008. Mr President, the Committee found all four treaties reviewed to be in Australia’s national interest.

The Convention on International Trade in Endangered Species of Wild Fauna and Flora, known as CITES, provides for international cooperation to protect and conserve species of fauna and flora from over-exploitation due to international trade. The Committee considered amendments to Appendices I and II of CITES, which will alter the level of control imposed upon trade in a number of species that are either endangered or at risk of becoming endangered. The Committee was particularly interested in the implications of these amendments for Australian sawfish species, which are now afforded protection under this Convention for the first time.

The Committee has raised a number of concerns in its report about the process adopted in relation to the listing of this species. In particular, the Committee has recommended that the Australian Government review its policies relating to the assessment of applications to trade in CITES listed species to provide for a more formalised process of independent scientific assessment and a greater degree of public consultation. It has also recommended that policies relating to the composition of Australian delegations to CITES negotiations be reconsidered to minimise conflicts of interest. We have done so because the Committee is concerned about the inclusion of parties with an obvious commercial interest in the outcome of negotiations on an Australian delegation. In the case of Cairns Marine, it has given rise to perceptions of conflict of interest, and the Committee would like the Government to have a look at this issue.

The Committee is particularly concerned that trade in a critically endangered species internationally is permitted at all and has recommended ongoing monitoring and assessment of the impact of trade in freshwater sawfish by the Australian Government.

The International Tropical Timber Agreement 2006 succeeds similar agreements dating back to 1983. Its objective is to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests. Sixty countries are members of the International Tropical Timber Organisation, established by the agreement, representing around 80 percent of the world’s tropical timbers and 90 percent of the global timber trade.

This agreement is consistent with Australia’s sustainable forest management and overseas aid objectives, including the reduction of illegal logging, mitigation of and adaptation to climate change and assisting developing countries to reduce poverty and achieve sustainable development. While the Committee recognises the importance of international cooperation to promote sustainable management and address illegal logging, it does question the extent to which this agreement will actually contribute to reducing the devastating deforestation occurring in some countries.
The world’s tropical rainforests are under great pressure. Clearing and logging, substantial parts of it illegal or unsupervised, are causing substantial losses to our rainforests, at the very time when the emerging science about global warming tells us we need them most. We need to protect our rainforests, which are the lungs of the plants. They are essential carbon sinks, they attract rain and keep our planet cool and moist, and they provide essential habitat for countless species of birds, plants, animals and other wildlife. Given their environmental significance, the Committee has recommended that the consultation process undertaken for any future agreement on sustainable trade in tropical timber specifically includes consultation with environmental groups.

The Protocol Amending the Agreement between Australia and South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income will alter Australia’s existing agreement with South Africa to meet Australia’s most favoured nation obligations with South Africa, promote closer economic cooperation between the two countries, and upgrade the framework through which the tax administrations of Australia and South Africa can prevent international fiscal evasion. The amendments are expected to reduce barriers to bilateral trade and investment. Reduced withholding tax rates on dividends, interest and royalties will also provide benefits to Australian businesses obtaining business loans and intellectual property from South Africa.

The Committee also considered a Category 3 treaty, Amendment to the International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk. Category 3 treaties are identifiably minor treaty actions, which do not impact significantly upon the national interest. The Committee resolved not to hold a formal inquiry in relation to this treaty.

The Committee supports all four agreements and has recommended that binding treaty action be taken.

Question agreed to.
lieves that these provisions do not contribute to the emergency response and that they will in fact make it easier for drugs and alcohol to enter communities. The Government believes that, like other Australians, Indigenous people should be able to decide who can enter their land. This bill gives effect to our election commitment to revoke the public access permit changes legislated by the previous Government. The bill will also clarify the power of the Minister to authorise people to enter communities covered by the emergency response. Once the bill is passed, the Government will, by means of a Ministerial determination, ensure that journalists can access communities for the purpose of reporting on events in communities.

The 2007 legislation included prohibitions on the possession, control and supply in prescribed areas of pornographic material. This bill addresses a further area of concern expressed by Aboriginal people in the Little Children are Sacred report about R rated material available through pay television subscription.

This bill amends the Broadcasting Services Act 1992 and the Northern Territory National Emergency Response Act 2007 to establish a new class licence condition that prevents subscription television narrowcasting service licensees from providing subscribers in a community declared by the Indigenous Affairs Minister with access to a subscription television narrowcasting service declared by the Communications Minister. Services cannot be declared unless they transmit more than 35 per cent of R 18+ program hours over a seven-day period. Communities cannot have their access to the television service restricted unless they are in prescribed areas under the Northern Territory National Emergency Response Act 2007, and the Indigenous Affairs Minister is satisfied that the community concerned wants the service restricted (following proper consultation) and it is appropriate to do so. Consistent with the pornography amendments already made to the Classification (Publications, Films and Computer Games) Act 1995, this arrangement will include a five-year sunset provision.

To ensure greater consistency with the alcohol bans, this bill will amend the Classification (Publications, Films and Computer Game) Act 1995 to permit the transportation of prohibited pornographic material through a prescribed area to a destination outside the prescribed area. The amendments are intended to allow industry members to transport goods lawfully, in the conduct of their business, to areas that are not prescribed. Under the amendments, an offence for possession or supply would not apply if the person proves that the material was brought into the prescribed area for the sole purpose of transporting it to a place outside the prescribed area.

Consequential amendments are also made to the seizure provisions so that prohibited material will not be seized if the material is only being transported through a prescribed area. However, if the material is seized, it can be returned to the owner if the material is not prohibited material or is only being transported through a prescribed area.

A further measure in the bill will make sure that, if a roadhouse effectively takes the place of a community store in a remote area, it can be properly treated as a community store in having to meet the new licensing standards. The new community stores licensing regime is designed to ensure that community stores meet minimum standards and to provide assurance that stores have the capacity to participate in income management. Assuming the community substantially relies on the roadhouse for grocery items and drinks, the roadhouse should be able to be part of the scheme applying to community stores. Otherwise, roadhouses will continue not to be regarded as community stores.

The 2007 legislation requires the Commonwealth to pay a reasonable amount of compensation where action under the legislation results in an acquisition of property. Concerns have been raised that the term reasonable does not provide just terms as referred to in the Constitution. The Government would also be concerned if that were the situation. However, the Government has received legal advice that a requirement to pay a reasonable amount of compensation gives effect to the requirement for the payment of just terms under the Constitution. The term reasonable compensation has been commonly used in legislation for this purpose and appears in many other Acts.

As we have made clear – most recently by the Prime Minister last week in Parliament – the
Government is committed to closing the gap between Indigenous and non-Indigenous Australians on life expectancy, educational achievement and employment opportunities. The Government is keen to work in partnership with Indigenous communities and the Northern Territory Government to tackle the problems of child abuse and improve the prospects of Indigenous children and their families.

We are also committed to evidence-based policy. We have announced our intention to commission an independent review of the Northern Territory emergency response for completion in the latter part of 2008 to determine whether the response is improving education, health and employment outcomes. The existing legislation for the Northern Territory emergency response contains provisions for welfare reform, changes to land and housing arrangements, improving law and order and improving the safety and well being of children and their families. The legislation also contains provisions which deem the measures to be special measures and exclude them from the operation of Part II of the Racial Discrimination Act 1975.

Given our commitment to maintaining the overall direction of the emergency response until the completion of the review, and to focus on effective implementation, the bill contains some amendments to existing measures which continue to be covered by the operation of the racial discrimination provisions in the legislation for the Northern Territory Emergency Response. Importantly, the bill contains no new provisions which exclude the operation of the Racial Discrimination Act. The new R 18+ measures have been designed as special measures and do not have a provision excluding the operation of Part II of the Racial Discrimination Act. We will give further consideration to the racial discrimination provisions in the legislation enacted by the previous Government following our proposed the independent review proposed for later this year.

Debate (on motion by Senator Carr) adjourned.

OFFSHORE PETROLEUM AMENDMENT (DATUM) BILL 2008
First Reading

Bill received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.07 am)—I move:

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

Question agreed to.

Bill read a first time.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.07 am)—by leave—I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to this bill.

I table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

OFFSHORE PETROLEUM AMENDMENT (DATUM) BILL 2008

Purpose of the bill

The bill amends the Offshore Petroleum Act 2006 (the OPA) to make a minor correction resulting from a technical oversight in the amendments made in the Offshore Petroleum Amendment (Miscellaneous Measures) Act 2008 (the Act).

Reasons for Urgency

In May 2008, the Act amended the OPA to, amongst other things, amend the Datum Provisions as part of the Government’s Australia Spatial Data Infrastructure Program. Subsequently, the OPA was proclaimed on 24 June 2008 and came into effect on 1 July 2008. Included in the Act were amendments to specify use of Geocentric Datum of Australia (GDA94) to replace Australian Geodetic Datum (AGD66) for certain purposes. The amendments replaced all references to the AGD66 with GDA94, inadver-
tently shifting the position of graticular blocks by 200m in a north easterly direction. The OPA needs to continue to refer to AGD66 for determining the position of graticular blocks as all existing titles have been determined by reference to that datum. GDA94 is to be used for certain other purposes including describing coordinates of a point in a title.

Passage of the bill early in the Spring sittings will remove uncertainty about existing titles, facilitate award of new permits arising from the April 2008 Acreage Release and enable the next release of acreage in October 2008.

Question agreed to.

Second Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.08 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

OFFSHORE PETROLEUM AMENDMENT (DATUM) BILL 2008

Given the important, but technical nature of the amendment, I am pleased to introduce this bill into Parliament.

This bill makes a minor technical amendment to the datum provisions included in the current Offshore Petroleum Act 2006 (OPA). There have been no policy changes.

I would now like to explain the rationale to Senators for the amendment contained in this bill.

Senators may recall the amendments made to the datum specified in the OPA as part of the Offshore Petroleum (Miscellaneous Measures) Act 2008 in response to the Government’s Australia Spatial Data Infrastructure Program. This involved the move from the Australian Geodetic Datum, known as AGD66, to the Geocentric Datum of Australia, known as GDA94. The amendments in the Offshore Petroleum Amendment (Miscellaneous Measures) Act 2008 commenced on 1 July 2008.

This bill will correct an error resulting from a technical oversight in the Offshore Petroleum Amendment (Miscellaneous Measures) Act 2008 which inadvertently replaced all references to the AGD66 with the GDA94. Although the advent of global positioning systems justifies the adoption of an international ‘geocentric’ (earth centred) datum, the OPA still needs to refer to the AGD66 for the purposes of determining the position of graticular sections or blocks and refer to GDA94 for certain other purposes including describing coordinates of a point in a title.

If graticular sections or blocks are determined by reference to GDA94 as currently required by the OPA, the grid used to determine the position of the titles will move approximately 200 metres in a north-easterly direction from a grid that refers to AGD66. This outcome was not the policy intention of the Offshore Petroleum (Miscellaneous Measures) Act 2008, and would cause concern and uncertainty for industry if not corrected. This bill will correct the technical error.

This bill sets out provisions to make a technical correction to ensure that AGD66 and GDA94 are used as originally intended. The amendments in the bill are proposed to be retrospective from 1 July 2008 to benefit industry by removing uncertainty about title boundaries for petroleum titles, ensuring alignment between existing and future titles, and facilitating the award of new exploration permits and release of new exploration acreage. There are no adverse effects on industry.

I commend the bill to the honourable Senators.

Debate (on motion by Senator Carr) adjourned.

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

COMMITTEES

Rural and Regional Affairs and Transport Committee

Interim Report

Senator STERLE (Western Australia) (10.09 am)—I present an interim report of the Rural and Regional Affairs and Transport Committee on climate change in the Australian agricultural sector.
Ordered that the report be printed.

Senator STERLE—I seek leave to move a motion to set the reporting date for the committee’s final report on this matter.

Leave granted

Senator STERLE—I move:

That the final report of the Rural and Regional Affairs and Transport Committee on its inquiry into climate change in the Australian agricultural sector be presented by 4 December 2008.

Question agreed to.

Senator STERLE—by leave—I move:

That the Senate take note of the report.

I would like to make a couple of comments on the report. Firstly, during this inquiry there have been some 42 submissions and we have had the pleasure of having two public meetings in Canberra that were very well attended. A lot of information has come forward to the committee which has all been considered, but there is still a lot of work to be done—there is no question about that. I would like to note a couple of the submissions that came to us. One that struck a chord was about perennial pastures, and was from Mr Tim Wiley, from the Western Australian agriculture department, and Mr Bob Wilson, who is vice-president of the Evergreen farming group and a farmer from Lancelin in Western Australia. Senator O’Brien and I, as a subcommittee, had the pleasure of being hosted on a day tour around the northern wheatbelt area of Northampton and some farms up there. What we saw up there certainly opened our eyes. It is an area of extreme conditions where the farmers have certainly taken the issue of climate change by the throat and are doing everything they can to address the issues they face. It was a worthwhile visit. Senator O’Brien and I took a lot away from that tour. There is to be another tour next Friday, to the western New South Wales district of Warren, where we will be checking out what is happening there.

In terms of where we go from here, there is a lot more work to do, as I said. But I would like to take this opportunity to thank the committee secretariat for their work. It is a small secretariat that is under extreme pressure because there are so many references to this committee, but they do not shirk the load. They have done a lot of work for us. We have been ably assisted by Jeanette and her team of Peter, Rosalind, Trish and Ann, and I want to note that. On behalf of my fellow committee members—my deputy chair, Senator Siewert, from Western Australia, and Senator O’Brien, Senator Heffernan, Senator Hurley, Senator Hutchins, Senator McGauaran and Senator Nash—I commend this interim report to the Senate.

Senator MILNE (Tasmania) (10.12 am)—I also rise to note this report from Rural and Regional Affairs and Transport Committee which, as the Chair, Senator Sterle, has just indicated, is an interim report. Senator Siewert and I first sought to refer to the committee the issue of climate change and its impact on rural and regional Australia, and on the agricultural sector in particular, quite some time ago. We actually tried to refer it twice and it was voted down until finally—and this was under the previous government—it got to the committee. That just shows you how far we have come in the last 12 months in getting people in the Senate to recognise just how serious climate change is in its impacts in rural and regional Australia, and on the agricultural sector in particular. Quite some time ago. We actually tried to refer it twice and it was voted down until finally—and this was under the previous government—it got to the committee. That just shows you how far we have come in the last 12 months in getting people in the Senate to recognise just how serious climate change is in its impacts in rural and regional Australia. That is not to say, of course, that its impacts are not serious everywhere, but the intensification of the drought as a result of climate change is everywhere to be seen. The frustration I have is that the response to that has been far too slow and that not enough coordinated research is being done around Australia on adaptation and the mitigation strategies that are out there and possible to respond to climate change.
The committee’s interim report looks at the science of climate change and what the likely impacts are to be in Australia. It reinforces what we already know, and that is that we are going to have more extreme conditions: we are going to have more extreme drought, more extreme weather events such as floods and so on, and many more bushfire days in various parts of Australia. The problem, though, is that farmers want very regional-specific information for it to be useful to them, and the climate models to date have generally been too broad. They can give you a trend analysis for a reasonably large area, but people need it to be brought down to quite specific regional scales in order for it to be very useful. One of the very strong things in this committee report is that we need to get cracking in Australia, particularly, on refining our climate models so that they become very much more useful and relevant to people in rural areas who need to use that information. There was overwhelming support on the committee for recognising that that has to be a research priority in Australia and to use the science we have and bring it down to a scale that is meaningful to rural communities, both to the towns and to the farmers around those towns.

The second thing is that we addressed issues about drought relief. Again, this is something that has been overtaken, to some extent, by the review of drought relief that is going on on a broader scale. But the point I want to make very strongly is that it is time to stop thinking in terms of drought relief and one-in-100-year droughts and the need to just pay the drought relief because it is thought that things are going to change, that it is going to rain and that everything will be all right again. We now have an understanding in rural and regional Australia that things are not going to be all right again and that the climate is significantly changing. Therefore we have to have a discussion about how we are going to help people adapt. What we all want is for people to be able to stay on their land and change the way they do things so that it remains viable for them to stay on the land and therefore the rural communities they serve will remain viable as well. That is why I emphasise the research.

One of the things the Greens are very keen to do—and there is increasing interest in this—is to intensify soil carbon, to get much better accounting methods for soil carbon and to look at what the opportunities are in rural and regional Australia for, if you like, the development of green carbon and soil sequestration. Unfortunately, I was not able to go out to the wheat belt with my colleagues from the committee, but I will be going to Warren this week. I think there is a lot of merit in accelerating the research we are doing, particularly with things like planting perennial grasses so that you have constant ground cover and better moisture retention, and then you can plant into those perennial grasses for some of the crops. That is what we will be going to see. That is the work of Dr Christine Jones, who has made a particularly interesting submission. I think there is genuine interest across all sides of the House in the work that is going on there.

The other issue, from my point of view, is that I am a bit disappointed that the renewable energy community has not taken the opportunity with this inquiry to come and talk about the huge opportunities there are in rural and regional Australia for partnership arrangements to farm renewable energy as an additional crop. Quite clearly a lot of the very large properties that are really suffering because of the drought have tremendous solar radiation or, in some cases, wind resources. What we need to do is to work out ways in which we can pre-permit large areas. It is the role of the Commonwealth, in my view, and the state governments to go and talk to communities and get agreement about
having a large renewable energy park, if you like, across private land. That would have to be agreed in the community, of course. We have to do that; otherwise there will be fighting in rural communities, as some farmers will want to go with renewable energy and the people next door may not like it. There will be conflict and so on. That is why going out and talking to people and getting some agreement about the area enables the renewable energy companies to come in and sign up partnership agreements or reach joint venture or leasehold arrangements—whatever you want to do—and be able to put in large-scale, utility scale, solar, thermal, and wind facilities in rural and regional Australia so, effectively, the farmers can stay on their land and get an income from generating renewable energy. That would also require the government to give additional support through the permit money coming through the ETS system to extend the transmission lines out to those areas to make it viable. Then you would get, in conjunction with a feed-in tariff, a huge investment and a real adaptation strategy in terms of building economic resilience.

Ecosystem resilience is the other thing. There is huge recognition now that, as an adaptation strategy to climate change, we have to build resilience in ecosystems. The best way of doing that is to protect existing native vegetation in those areas because of the water flow-on impacts, and that will require paying people to restore native vegetation and assist in the fight against weeds and feral animals. We should never forget that rural and regional Australia is losing millions of dollars in productivity every year because of alien invasive species, feral animals and weeds. So, instead of drought relief, we need to think about ways to pay farmers an income for ecosystem restoration and management of alien invasive species and so on. There are all sorts of ideas that we hope will come forward in the rest of this inquiry, which will now report in December. The final part of this inquiry is looking into where the best ideas are in addressing mitigation and adaptation strategies.

I conclude by saying that we have a global issue with food security. I do not think that people have really started to engage the fact that, because of climate change, peak oil and perverse incentives for biofuels in some parts of the world, we have lost large areas of productive farmland, and we are going to have increasing pressure on production of food. We have to make sure that we maintain the potential that is in Australia for agricultural productivity and not lose that with, again, perverse incentives for carbon sink forests.

My final point is that we want to see plantations used for wood production, and native forests and native vegetation ecosystems used as carbon stores. The worst thing that could happen is that land in rural Australia is driven up in price because of plantation forests for so-called carbon sinks and that you drive the logging industry further into the native forests. That would be an appalling outcome for Australia. We need to make sure, in any discussion of what might constitute a carbon sink forest, that it does not go on the best agricultural land, that it does not lead to companies being able to buy up all the water rights and take the land out of food production and that it does lead to plantings of mixed species and plantings in areas that are marginal, where it will improve issues such as salinity and lead to an increase and intensification of carbon.

There are a lot of issues still to come before this committee. I hope that we are going to get an ongoing response from the community as to their ideas about how we can support rural and regional Australia in a sustainable way. I seek leave to continue my remarks later.
Leave granted; debate adjourned.

Rural and Regional Affairs and Transport Committee
Interim Report

Senator STERLE (Western Australia) (10.23 am)—I present an interim report of the Senate Standing Committee on Rural and Regional Affairs and Transport on meat marketing.

Ordered that the report be printed.

Senator STERLE—I seek leave to move a motion to set the reporting date for the committee’s final report on this matter.

Leave granted.

Senator STERLE—I move:

That the final report of the Rural and Regional Affairs and Transport Committee on its inquiry on meat marketing be presented by 30 June 2009.

Question agreed to.

Senator STERLE—by leave—I move:

That the Senate take note of the report.

As I said earlier, there are a number of current references to the rural and regional affairs and transport committee, but this reference certainly is very interesting and very wide ranging.

Senator O’Brien—You got your teeth into that one, didn’t you!

Senator STERLE—As Senator O’Brien said, we certainly got our teeth into this one. This reference is in relation to meat marketing, with particular reference to the need for effective supervision of national standards and controls and the national harmonisation of regulations applying to the branding and marketing of meat.

While the committee’s terms of reference relate to meat marketing generally, the committee decided to focus the inquiry in the first instance on issues relating to lamb marketing, particularly in light of concerns that some processors are substituting hogget and young sheep for lamb. Organisations and individuals who provided submissions were advised of the committee’s decision in this regard. The committee notes that the submissions to the inquiry have raised a range of similar issues in relation to the marketing of other meat products. The committee intends to extend its inquiry to consider those issues.

Although misdescription and truth in labelling allegations are very, very hard to prove, there were a lot of accusations flying in the two public hearings held in Canberra. One thing that stuck in my mind was that there were references to sheep sales in New South Wales being flooded with buyers from Victoria, who were shooting over the river, and all of a sudden there seemed to be a lot more lamb on the market than what might have left New South Wales.

Although we had an enormous number of submissions, it was very disappointing that PrimeSafe in Victoria did not front the inquiry. Phone calls were made to PrimeSafe in Victoria and on each occasion they refused to come and visit the committee, which grieves me. If someone or some state is being accused of misdescription or not having truth in labelling, you would think that they would be tearing down the borders to get to the inquiry to put their case forward. But PrimeSafe did not, which was quite disappointing.

Despite that, the hearings were interesting. The committee held public hearings in Canberra on 10 June and 9 July 2008. We heard evidence from a number of witnesses, including representatives of the Sheepmeat Council of Australia, the Australian Meat Industry Council, Meat and Livestock Australia Ltd, AUS-MEAT, a number of New South Wales meat processors and three state authorities—the New South Wales Food Authority, Safe Food Queensland and the Western Australian Meat Industry Authority. Mr
Acting Deputy President Bishop, as you and I are both loyal and patriotic Western Australians, may I say that the Western Australian model—

Senator Hutchins—Neither of you were born there!

Senator STERLE—We are proud Western Australians and our children were born in Western Australia! I must say that the Western Australians certainly have their act together in truth in labelling. In fact, every state that came to see us held the Western Australian model in very high regard. I think that is because the last time that a rogue was caught substituting hogget for lamb there he did about two years in jail. We also had submissions and heard evidence from the Department of Agriculture, Fisheries and Forestry and the Australian Quarantine and Inspection Service, who provided evidence at the 10 June hearing; and an officer from the Australian Competition and Consumer Commission appeared at the 9 July hearing.

The committee found that substitution, while not widespread throughout Australia, is a legitimate cause of concern to the industry. The industry is currently attempting to address that concern. Claims of a higher incidence of substitution emanating from buyers or processors based in Victoria were noted, as I said earlier. The committee also noted that, as AUS-MEAT accreditation is voluntary for domestic-only abattoirs, it is difficult to ensure AUS-MEAT language standards are applied consistently to all sheepmeat destined for the domestic market.

I will take the time to put to the Senate the recommendations of the committee’s interim report, which were negotiated in good faith by all parties on the committee. We are all hand in hand on these recommendations, we stand by them and, if the Senate indulges me, I would like to quote them.

Recommendation 1 is:

The committee recommends that the Minister for Agriculture, Fisheries and Forestry, through the forum of the Primary Industries Ministerial Council, seek the support of state and territory primary industries ministers to harmonise national standards for all domestic meat slaughtering and processing establishments. The committee further recommends that, regardless of the model adopted, the harmonised national standard must include maintenance of dentition as the standard for classifying an animal as lamb and must require that 100 per cent of animals classified as lamb are mouthed at slaughter.

Another recommendation:

The committee recommends that the Minister for Agriculture, Fisheries and Forestry, through the forum of the Primary Industries Ministerial Council, consider the costs and benefits of applying the West Australian standard as the model for national harmonisation including examination of compliance and enforcement issues.

Finally:

The committee recommends that the Minister for Agriculture, Fisheries and Forestry and the Minister for Competition Policy and Consumer Affairs consider, when available, the findings of the Sheepmeat Council of Australia and the Australian Meat Industry Council’s review of Lamb Brand Control and Verification. The committee recommends that, where appropriate and feasible, the relevant Commonwealth agencies assist the sheepmeat industry to implement recommendations arising from the review.

Quite clearly, Australians deserve to know what they are buying. It is quite simple. There is no argument about that.

I would like to take the opportunity once again to thank my fellow senators on the committee: the chair, Senator Siewert; government senators Senator O’Brien, Senator Hutchins and Senator Hurley; and opposition senators Senator Nash, Senator McGauran and Senator Heffernan. There was a lot of work put in. Once again, I cannot stress enough the gratefulness of the committee to...
our secretariat, who do a sterling job. They do a fantastic job. They have just today cleared up two reports and all of a sudden we will be doing another one, on horse disease, which I certainly am looking forward to. On that, I commend the report to the Senate.

Senator HEFFERNAN (New South Wales) (10.31 am)—I will not hold up the Senate. This is a really good example of the Senate working and a committee working. I do not think the Senate Rural and Regional Affairs and Transport Committee has ever had a dissenting report. This is a reference that I took to the committee on behalf of the lamb industry, and I thank the Senate, the government and the committee for taking up this inquiry with enthusiasm. It is patently obvious that we need to harmonise lamb standards right across Australia. It is patently obvious that the industry has amongst it a lot of likeable rogues who if they can get away with things they will. The best way to fix all that is to look in every mouth before slaughter, because once the head comes off a sheep—as we all know—we do not know how old it is.

I would like to thank the committee for its cooperation and put up this inquiry as a really good example and a signal to the meat industry that we mean business. It is about time they got their act into gear. They were grateful for the trigger that we provided for debate within the industry. We had some diverse views. We had some exporters who took the view that anything that looked like a reasonably conforming sheep should not have to be described as a sheep—that is, if you can get rid of it as lamb at a profit, good luck. I seriously oppose that proposition. The quality and the skill of providing a lamb before it has cut its first two teeth need to be recognised as premium in the market. If the industry does not adopt the recommendations of this committee, it will destroy the lamb industry—and I think Sam Kekovich ought to come along and punch their lights out!

The ACTING DEPUTY PRESIDENT (Senator Trood)—Senator Heffernan, do you wish to continue your remarks?

Senator HEFFERNAN—I don’t think so. Does anyone else want to have a crack?

The ACTING DEPUTY PRESIDENT—Do you wish to keep the report on the Notice Paper?

Senator HEFFERNAN—If you think that is a fair thing, that is what I will do.

Leave granted; debate adjourned.

BUSINESS
Rearrangement

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.33 am)—I move:

That intervening business be postponed till after consideration of government business order of the day no. 7 (Higher Education Support Amendment (Removal of the Higher Education Workplace Relations Requirements and National Governance Protocols Requirements and Other Matters) Bill 2008).

Question agreed to.

HIGHER EDUCATION SUPPORT AMENDMENT (REMOVAL OF THE HIGHER EDUCATION WORKPLACE RELATIONS REQUIREMENTS AND NATIONAL GOVERNANCE PROTOCOLS REQUIREMENTS AND OTHER MATTERS) BILL 2008

In Committee

Consideration resumed from 2 September.

Senator MASON (Queensland) (10.34 am)—I have a question for the minister. Minister, this in a sense picks up from where we left off in our last discussion. Under the National Governance Protocols for Higher Education Providers the date for determination of compliance—as you know—is 31
August each year. Were universities expected to be compliant with the national governance protocols on that date?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.35 am)—Under the existing law that is the case. But perhaps I should add this, in terms of the government’s proposal for new arrangements. Following the repeal of the national governance protocols the minister will advise ministers that pending the development and the implementation of a new voluntary code she regards the national governance protocols as an ongoing benchmark for good governance practice. She would regard any substantial noncompliance with this benchmark—whether reflected in a recommendation arising from the quality audit by the AUQA or otherwise—as indicating a potential breach of the quality requirements specified in section 19-15 of the Higher Education Support Act.

It is a condition of funding under the Commonwealth Grants Scheme that the higher education provider must meet the quality and accountability requirements that are covered by sections 36-60. If a provider breaches a condition of a grant, the minister may reduce or require repayment of the grant under section 54-1—of course, with the additional matters in terms of the process that that covers, which are covered by other sections. The minister may also revoke a body’s approval as a higher education provider if the minister is satisfied that it has breached a condition of a grant or a quality and accountability requirement. That is covered by section 22-15.

Senator MASON (Queensland) (10.36 am)—I thank you for that comprehensive answer. In effect, Minister, the government is saying that financial impositions can be placed upon universities for noncompliance.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.37 am)—Senator Mason, that has always been the case. My proposition to you—and I repeat the proposition I have advanced in the previous times we have canvassed these matters—is that those compliance provisions should be accompanied by a proper understanding of the processes by which a minister must enforce the law. They are quite detailed and are covered in the act as well. It is my understanding that there has never been a requirement from a minister of either side—because these provisions have been in all the higher education funding acts for some time—to repay grants. Up to this point they have been resolved through a process of negotiation. The powers of the minister, the powers of the Commonwealth in the administration of higher education grants, be they in the teaching or research program, are substantial, and it would be unwise for an education provider to fail to fulfil their obligations under the act. Equally, those powers go to the point, as I have just indicated, where an education provider may have their approval revoked—the minister has the power to revoke a body’s approval as a higher education provider if they fail to comply.

Senator MASON (Queensland) (10.38 am)—I might then make some summary remarks before moving my amendments. I want to thank the minister again for his answers this morning. They are helpful. I think it is fair enough then to say, Minister, that we have established that the government does not in principle oppose the imposition of funding conditionality. The minister just mentioned section 19-15 and, of course, section 54-1. Both of them indicate that. No matter how you dress it up, 54-1 is funding conditionality, as is 19-15, and carries with it the possibility of financial sanction or even ultimately the closing down of the higher education institution. I repeat this point, par-
particularly perhaps for Senator Milne’s benefit, just to illustrate that the minister has plenty in her armoury if there are non-compliant universities. The National Governance Protocols, in the opposition’s view, are not unusually punitive. That would be our argument.

Secondly, the minister mentioned last time in committee—and just a few seconds ago—that no university has been sanctioned under section 54-1, and I am sure, Minister, you are correct. But it was revealed in estimates earlier this year that every university was also compliant with the national governance protocols. Indeed, my first question to you this morning, Minister, referred to the fact that all universities seem to be complying with the national governance protocols to date. I repeat, all universities were complying with the national governance protocols. I think it is important to state that.

Thirdly, there has been no evidence in this debate beyond conjecture that any of the national governance protocols are inhibiting creativity or diversity in higher education. There has been only surmise. Senator Ludwig the other day in committee said that universities would be placed in a straitjacket. No-one can give an example of when this has occurred, nor of any particular protocol that inhibits creativity or diversity. So, again, my view is that it is surmise.

Fourthly—and I am repeating myself, but I think it is important to do this—we are talking here about the expenditure of $9 billion of public money. The national governance protocols were supported. They were developed and indeed welcomed by the university sector. They were welcomed—why? Because universities had a history and a reputation for lacking first-class governance. I do not think that that particular point is under debate. There were no real criticisms of the protocols until the government decided to be rid of the protocols. There was some muted criticism about compliance, but there always is when people are under threat of sanction for non-compliance with auditing principles. As I mentioned the other night, the fact that a few vice-chancellors do not welcome the scrutiny and accountability of these measures does not faze the opposition; we are much more concerned with protecting public expenditure—taxpayers’ money—than we are with the convenience of vice-chancellors.

The opposition’s amendment that I will introduce will do three things. Firstly it will require universities and higher education providers to keep meeting the national governance protocols as a condition of increased funding under the Commonwealth Grants Scheme. Secondly, it will retain the provision that for the funding to be affected the minister must be satisfied that the provider does not meet the requirements, known as the national governance protocols. In the event that the minister is not satisfied that the protocols have been met, he or she can apply a penalty. In short, the amendment restores the tried and tested relationship of conditionality for additional funding where universities meet the national governance protocols. With that, I move:

(1) Schedule 1, item 6, page 3 (line 28) to page 4 (line 1), omit the item, substitute:

6 Section 33-17

Repeal the section, substitute:

33-17 Reduction in assistance for higher education providers failing to meet certain requirements

(1) A higher education provider’s *basic grant amount for a year is reduced if the Minister is satisfied that the provider does not meet the requirements known as the National Governance Protocols that were specified in the Commonwealth Grant Scheme Guidelines, as in force on 27 February 2008,
as at 31 August, in the year preceding the year.

(2) The reduction under subsection (1) is an amount equal to the amount that would have been the increase under repealed section 33-15 if:

(a) the provider had been entitled to an increase of 7.5% under that section as in force immediately before the commencement of Schedule 2 to the Higher Education Legislation Amendment (2007 Budget Measures) Act 2007; and

(b) the *funding clusters were the funding clusters that existed immediately before the commencement of Schedule 2 to the Higher Education Legislation Amendment (2007 Budget Measures) Act 2007; and

(c) the *Commonwealth contribution amount for each of those funding clusters was the amount that would have been the Commonwealth contribution amount for the funding cluster for the year if the amounts in the table in section 33-10 had not been amended by the Higher Education Legislation Amendment (2007 Budget Measures) Act 2007 or any later Act.

(2) Schedule 1, item 7, page 4 (lines 2 to 5), omit the item, substitute:

7 Application—section 33-17

Section 33-17 as in force immediately after the commencement of item 6 of this Schedule has no effect in relation to a higher education provider’s *basic grant amount for the grant year 2008.

Senator XENOPHON (South Australia) (10.43 am)—I did not have an opportunity to contribute in the second reading stage, but my remarks will be confined to the substance of these amendments. Since the second reading stage, I have had an opportunity to have a briefing from the government and I have had extensive discussions with my colleague Senator Mason. I found both quite useful.

To summarise my position, I think it is fair to say that the existing national governance protocols have not been unduly onerous, they have not been punitive in their approach, but there is some criticism of them that they can be unduly restrictive. It would be fair to say that the government’s hyperbole, if I can put it in those terms, about the protocols as being a ‘born-to-rule mentality of the opposition’ is unfortunate. It is fair to say from the submissions made by vice-chancellors, by the Group of Eight, in the past, that these protocols have been on the whole beneficial. But my fundamental problem with these protocols, with the legislation as it currently stands, is this: it gives the minister enormous discretion, enormous power, to change those protocols at any time and to impose significant penalties. That to me is the nub of this issue—that there is a potential for ministerial intervention in our higher education sector and a potential for the minister to alter those protocols in a way that could be seen as punitive to make unreasonable demands of our tertiary sector. That is why I support the bill and I cannot in good conscience support Senator Mason’s amendments.

But I think that to say, as I think some in the government have said, that these protocols have been a bad thing is unfair. It is the potential for the protocols to be altered and the potential for punitive action to be taken that concerns me. I think it is also fair to say that through the AUQA there are significant sanctions and sufficient powers for the minister to deal with the issues of quality assurance and educational standards in a qualitative sense in terms of the education standards of our tertiary institutions.

One example that was put to me, which could affect my home state, is the issue of governance protocols relating to the University of South Australia, which has a number of campuses and also two regional campuses. It may be that the Whyalla campus of the
University of South Australia wants to have a separate council to engage with the community. Under these protocols, as I read them, that might not be possible. I think that you need to have some flexibility there.

The other issue that I want to put to the minister—because I think it is important to get clarity on this and this is the one sticking point that I have with this legislation—is: what happens if this bill is passed and the protocols are appealed? I understand it is the position of the government that the universities will develop their own governance protocols, if you like, by way of a code or a self-regulatory model. But in the meantime, until that is done, to what extent are there protocols in place? Are we left with a hiatus or will these protocols still be in place in a substantial sense? That is my concern, because I do not think we should have a vacuum in terms of protocols.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.47 am)—I would like to seek to answer Senator Xenophon’s question. I made some observations a moment or two ago with regard to a question from Senator Mason which you may not have heard, Senator Xenophon, because I do not think you were in the chamber. I will go to those issues again and indicate to the chamber that I will repeat the advice that the minister has given to me directly.

She has told me that, following the repeal of the national governance protocols, the minister will advise universities that, pending the development and implementation of a new voluntary code, she will regard the national governance protocols as an ongoing benchmark to good governance practice. She would regard any substantial noncompliance with this benchmark, whether reflected in a recommendation arising from the quality audit by the AUQA or otherwise, as indicating a potential breach of the quality requirements specified under section 19-15 of the Higher Education Support Act. It is a condition of the funding under the Commonwealth Grants Scheme that a higher education provider must meet the quality and accountability requirements—that is covered by section 36-60—and, if a provider breaches a condition of grant, the minister may reduce or require repayment of some or all of the grant. That is covered by section 54-1.

Further, the minister also has the power to revoke a body’s approval as a higher education provider if the minister is satisfied that it has breached a condition of the grant or a quality and an accountability requirement under section 22-15. I would like to say a word about the amendments at some point, but if there are any further questions I would seek to deal with them now.

Senator XENOPHON (South Australia) (10.49 am)—I thank the minister for his answer. Could the minister clarify this: when you say that it is an ongoing benchmark, does that mean that there will be sanctions if there is a breach of the existing protocols pending the new code, the self-regulatory model in place? I am just trying to understand what the actual status the existing protocols will have in an administrative or a legal sense. If it is a benchmark, does it mean that a breach of it will lead to sanctions being imposed by the minister or is it simply a guiding principle for the minister?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.50 am)—It is my understanding that all universities are currently compliant with the old code. I do not believe there is an issue at this point. The government’s view is that there would have to be a substantial breach for there to be a question about noncompliance—a substantial breach, not a minor issue—because these protocols are quite pre-
scriptive. I will go to that in a moment. In the case of a substantial breach, the normal provisions of the act would cut in. That is, a process of discussion would occur and the university would have to show good cause as to why there should not be a reduction in the grant or other action taken. So the normal provisions of the act would apply. What the government is seeking to do is to take away this arbitrary imposition of a 7.5 per cent penalty—

Senator Mason—Arbitrary? It is not arbitrary.

Senator CARR—It is quite arbitrary, because under the current administrative arrangements it specifies that the grant would be reduced by 7.5 per cent—that is 7.5 per cent of the base grant—which is a very substantial amount of money.

Senator XENOPHON (South Australia) (10.51 am)—Hopefully that will resolve the issue for me. I appreciate the minister’s answer. Can the minister clarify this final point for me. Firstly, if there is a deviation from the protocols, a noncompliance—and I understand what the minister is saying, that it seems that the institutions are currently complying with the protocols—if there is a breach at some time in the future before the code, to what extent will that information be readily available to the public? Secondly, is it anticipated that if there is a breach of the new code, the self-regulatory model, the public will have a mechanism for finding out? Is there some auditing or some process of scrutiny or public disclosure so that at least members of the public can determine whether or not there has been a breach?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.53 am)—Currently AUQA reports are public. The minister also takes the view that there is no difficulty in providing information on a public basis beyond that report if there is a breach of the voluntary protocols that would be entered into.

Can I just indicate the reasons why the government does not support the opposition’s amendments. Essentially, the opposition amendments would maintain penalties for noncompliance with the national governance protocols. In our judgement, these amendments seek to entrench the current prescriptive and punitive approach towards the national governance protocols—that is, to maintain a financial penalty on universities for breaches of the detailed requirements that do not respect the institutional autonomy of universities. They do not recognise the professional responsibilities of universities. Financial penalties are in fact very substantial, with a 7.5 per cent reduction in a university’s base grant. The penalty would be incurred if a minister, not just the current minister but any minister into the future while these provisions apply, is not satisfied—'satisfied' is the word used to describe the criteria on which these assessments would be made—and that the university has not met its obligations under the national governance protocols.

There are three key reasons why the government is seeking to remove these provisions that the opposition is seeking to maintain. Firstly, they do not allow for diversity in university governance. Secondly, they are not focused on increasing accountability or imposing outcomes. They are about micro-management of universities and they are about fundamentally undermining the institutional autonomy of our academic institutions. Thirdly, they demonstrate a fundamental distrust of our higher education institutions and, as I said, they constitute a threat to the autonomy of such institutions. The government is committed to taking the foot off the throats of our academic institutions.
Senator Mason—They developed these things.

Senator CARR—The Liberal Party had a view, as I have indicated before, Senator Mason, that you had to make up for your defeats in your youth at the hands of some obscure student politicians and you have had to impose these penalties on universities as a means by which you can restore some dignity. Senator Abetz still lives through the days of his glorious youth. The Liberal Party essentially takes the view that universities are to be treated as ideologically hostile institutions.

Senator Mason interjecting—

Senator CARR—You take a very strong view on this. I am disappointed in you personally, Senator Mason, because I know that you worked in an institution and you should be able to persuade your colleagues of just how wrong their attitudes are. Senator Trood is here too. I am sure he would understand just what a preposterous thesis it is that the Liberal Party has been captured by. But, essentially, this is the mentality that drives the attitudes of the Liberal Party that seek to undermine the autonomy of our academic institutions.

Senator Mason—Why did they develop them, then?

Senator CARR—The reason you developed them, the reason you imposed them, was to keep the NTEU off administrative councils of universities. Let us get to the nub of this: this was all about making sure that the union was not able to find representation on university councils and that student groups were not able to find representation on councils—that the universities could only have certain persons on university councils that the government thought were appropriate.

Senator Mason, as a result of your changes, you and I were removed from the ANU Council. I have always said to you that I thought that was a retrograde step. I knew that they were not really complaining about my presence on the ANU Council, that Dr Nelson was really after you. We understand the poverty of that philosophy that took the view that certain groups being represented on university councils were incompatible with the good management of the university.

We now know that one size is not appropriate to fit all higher education institutions in the 21st century. We trust universities to develop an approach to governance that best fits their circumstances with respect to their autonomy and their capability to undertake their functions in society. We believe that the next fundamental reform for the sector is to foster diversity and to recognise the importance of diversity in their institutions in the 21st century.

Universities Australia has supported this move, and its chair, Professor Richard Larkins, made the point about governments loosening:

... existing prescriptive requirements and allow universities to pursue their missions as self governing bodies.

Under this legislation universities will be free from micromanagement and red tape, which has characterised the oppressive attitudes—the essentially anti-intellectual attitudes—of the Liberal Party in regard to their ideological obsessions with and their hostility towards centres of learning in this country. It represents a deep ignorance and a poverty of philosophy in regard to the Liberal Party.

The national governance protocols were designed by the Liberal Party to, in their mind, bring to heel their ideological opponents. This morning we heard that Senator Mason believes that the opposition of the vice-chancellors is nothing of concern to the Liberal Party. In fact, he dismissed—
Senator Mason—I did not say that.

Senator CARR—Well, I thought you said that the attitude of the vice-chancellors could be easily dismissed. So I will draw your attention to what the Group of Eight vice-chancellors are saying, as I am sure you will appreciate their comments. Professor Alan Robson, chair of the Group of Eight and Vice-Chancellor of the University of Western Australia stated:

The Federal Opposition should pass legislation before the Senate designed to allow Australian universities to decide the governance structures that best suit their circumstances.

Senator Mason interjecting—

Senator CARR—You will be further surprised to hear that he goes on to say:

The Opposition has signalled its intention to move amendments in the Senate—and they have done that today, I might add—that would require all Australian universities to continue to comply with National Governance Protocols. Failure to comply would see universities incur a financial penalty of 7.5 per cent of block funds for teaching.

The protocols impose a one size fits all approach to university governance. They represent an outdated and ideologically driven intrusion into the governance of Australia’s universities.

The debate over the protocols is not about accountability. There are many other mechanisms the Commonwealth has in place to ensure that taxpayers’ funds invested in universities are used appropriately. It is about whether it is appropriate for the Government of the day to dictate how universities manage their governance, or whether universities should be trusted to manage their own affairs.

The Go8 calls on the Senate to support the Government on this matter of principle and calls on the Opposition to review its policy to develop a more contemporary approach to its relations with universities.

These protocols are so prescriptive that they go down to such things as the number of members that can be on a university council. Surely a university can work out how many people should be on its council. Surely that is a matter for a university to work out. It is something that, in the 21st century, one would have thought we could rely on our universities to work out for themselves. I urge the Senate to reject these amendments and pass this legislation.

Senator MASON (Queensland) (11.03 am)—I was not going to say anything but of course I have been provoked by the minister, Senator Carr. Briefly, in relation to the press release from the Group of Eight, it is a strange thing that the Group of Eight and, indeed, Universities Australia were primary participants in the development of these national governance protocols. Why? Because university governance in the past has been very poor.

It is no surprise that university vice-chancellors want fewer and fewer strictures and fewer accountability mechanisms. I am not surprised to hear that from the Group of Eight or indeed from Universities Australia. If I were a vice-chancellor I would want less accountability too. But our duty here in the Australian Senate is to look after the public’s interest, not just the universities’ interests.

The Senate should support the opposition’s amendment.

Senator MILNE (Tasmania) (11.04 am)—I had not intended to speak either, but Minister Carr has also provoked me into rising to my feet. I am sure the manager of government business will be speaking to him on this matter. I rise to put on the record again the fact that the Greens will be supporting the government’s position and opposing this amendment.

But I also want to say to Senator Carr that his words will come back to haunt him—every single phrase he has used about trust, about sanctions, about treating, in this case,
schools in an ideological way and as hostile institutions, about autonomy, and about one size not fitting all when it comes to schools. I would remind the minister that the Prime Minister has made it very clear in the media that he has threatened the states and education unions by declaring that future federal education funding will be conditional on information about the performance of individual schools being made available to parents. That is just as prescriptive, just as ideologically driven, just as hostile and just as provocative as exactly everything that you accuse the opposition of having done in relation to universities, and now the government is about to do the same to schools.

I put the minister and the Senate on notice that when the government introduces these bills all of Senator Carr’s phrases will come straight back to him, including Minister Gillard’s phrase when she said that this government was about taking the foot of the Howard government off the neck of universities. I say that they are about to again put the foot of the Rudd government onto the neck of schools. I want to indicate that everything that has been said here today will be like the boomerang—it will be coming straight back, Senator Carr.

Question put:

That the amendments (Senator Mason’s) be agreed to.

The committee divided. [11.11 am]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes……………… 34

Noes……………… 34

Majority……… 0

AYES

Cash, M.C.  Colbeck, R.
Coonan, H.L.  Ellison, C.M.
Ferguson, A.B.  Fielding, S.
Fierravanti-Wells, C.  Fifield, M.P.
Fisher, M.J.  Heffernan, W.
Humphries, G.  Johnston, D.
Joyce, B.  Kroger, H.
Macdonald, I.  Mason, B.J.
McGauran, J.J.  Minchin, N.H.
Nash, F.  Parry, S.*
Payne, M.A.  Ronaldson, M.
Ryan, S.M.  Troeth, J.M.
Trood, R.B.  Williams, J.R.

NOES

Arbib, M.V.  Bilyk, C.L.
Bishop, T.M.  Brown, B.J.
Brown, C.L.  Cameron, D.N.
Carr, K.J.  Collins, J.
Conroy, S.M.  Crossin, P.M.
Farrell, D.E.  Faulkner, J.P.
Feeney, D.  Forshaw, M.G.
Furner, M.L.  Hanson-Young, S.C.
Hogg, J.J.  Hurley, A.
Hutchins, S.P.  Ludlam, S.
Landy, K.A.  Marshall, G.
McEwen, A.*  McLucas, J.E.
Milne, C.  Moore, C.
Polley, H.  Pratt, L.C.
Sherry, N.J.  Siewert, R.
Stephens, U.  Sterle, G.
Wortley, D.  Xenophon, N.

PAIRS

Birmingham, S.  Ludwig, J.W.
Cormann, M.H.P.  Evans, C.V.
Eggleston, A.  Wong, P.
Sullston, N.G.  O’Brien, K.W.K.

* denotes teller

Question negatived.

Bill agreed to.

Bill reported without amendment; report adopted.
Third Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (11.14 am)—I move:

That this bill be now read a third time.

Question put.

The Senate divided. [11.18 am]

(The President—Senator the Hon. JJ Hogg)

Ayes.......... 35
Noes.......... 33
Majority....... 2

AYES
Arbib, M.V. Bilyk, C.L.
Bishop, T.M. Brown, B.J.
Brown, C.L. Cameron, D.N.
Carr, K.J. Collins, J.
Conroy, S.M. Crossin, P.M.
Farrell, D.E. Faulkner, J.P.
Feeney, D. Fielding, S.
Forshaw, M.G. Furner, M.L.
Hanson-Young, S.C. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Ludlam, S. Lundy, K.A.
Marshall, G. McEwen, A.*
McLucas, J.E. Milne, C.
Moore, C. Polley, H.
Pratt, L.C. Sherry, N.J.
Siewert, R. Stephens, U.
Sterle, G. Wortley, D.
Xenophon, N.

NOES
Abetz, E. Adams, J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Bushby, D.C.
Cash, M.C. Colbeck, R.
Coonan, H.L. Ellison, C.M.
Ferguson, A.B. Fierravanti-Wells, C.
Fielding, M.P. Fisher, M.J.
Heffernan, W. Humphries, G.
Johnston, D. Joyce, B.
Kroger, H. Macdonald, I.
Mason, B.J. McGauran, J.J.
Minchin, N.H. Nash, F.
Parry, S.* Payne, M.A.

Ronaldson, M. Ryan, S.M.
Troeth, J.M. Trood, R.B.
Williams, J.R.

PAIRS
Evans, C.V. Cormann, M.H.P.
Ludwig, J.W. Birmingham, S.
O’Brien, K.W.K. Scullion, N.G.
Wong, P. Eggleston, A.

* denotes teller

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (MEDICARE LEVY SURCHARGE THRESHOLDS) BILL 2008

Second Reading

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

That this bill be now read a second time.

Senator COLBECK (Tasmania) (11.22 am)—I rise to make a contribution in the debate on the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008. Here we have another example of the government’s scattergun approach to reform and legislation since they came to government late last year. The government told us that they would be indulging in evidence based policy.

Senator Carr—Indulging!

Senator COLBECK—They told us that that would be the approach that they would be taking. As we have heard a number of times, they have set up in the order of 140 or 150 reviews of policy since they came to government and one of the major reviews that they put in place was the Health and Hospitals Reform Commission. The Health and Hospitals Reform Commission is to inform the government on its approach going forward to health policy. It is also to inform the government on its approach to the renegotiation of the Commonwealth-state health agreements, which is obviously a very im-
important arrangement between the Commonwealth and the states underpinning the funding particularly of our public hospital systems. It sets out the arrangements and responsibilities between the Commonwealth and states with respect to the funding of health between each of the two bodies.

Having established the Health and Hospitals Reform Commission—and that announcement was made in March this year—they have made the change to the Medicare levy surcharge threshold without any reference to that very important body that is informing the government on its approach to health. You would have thought that having established a body that was going to consult around Australia—and I know that the Health and Hospitals Reform Commission has been consulting around the country and the submissions are available to have a look at if the public wish to do so—such a major reform that would have a broad impact on the delivery of health services would have been referred to the Health and Hospitals Reform Commission for an opinion. Yet it was not. So a fundamental change, one that has far-reaching effects, has not been referred to the major body that the government has put in place to look at health reform in the country.

It is not just the opposition that is saying that this is not a reasonable approach, that it is a scattergun approach, that it is not a considered approach in health reform. In fact the ACT government in its submission to the inquiry conducted by the Senate said:

The commonwealth should avoid further ad hoc policy tinkering and cherry picking of isolated reforms in private health insurance.

That is what the ACT government submission to the Senate inquiry said. So it is not just the government saying that this is an ad hoc approach; it is also what is being said by other governments, even those of the same political persuasion as the Labor Party.

Having not referred this to the commission, when the government started to do its costings on the process all the Treasury did was look at how many people they thought might resign or relinquish their membership of private health insurance, and their initial estimate was 485,000 people. During the estimates process when we started to analyse the calculations that the Treasury had made, it became apparent that they had only considered policyholders. They had not considered the entire impact of the measure on the health system and the potential users of the health system. So instead of 485,000 that was the initial forecast provided by the Treasury, once you included dependants into the calculation the number rose significantly—closer to 700,000 people.

There are a range of other estimates from industry that have been submitted to the Senate inquiry and to members on both sides of the chamber as part of the lobbying process this bill has been through to this date. Instead of the 485,000, the estimates from the government are now closer to 700,000. The private health insurance industry estimates something like 617,000 individuals will exit their cover and when you round that up to include dependants it is closer to 900,000 people. So in any person’s language this is going to have a significant impact on the health system in this country, particularly the health insurance sector in this country. And as I will outline as my presentation continues, it will have a significant impact on the delivery of health in this country.

Interestingly, the government’s consultation with respect to this process again was minimal, as we have heard with a range of other measures. They did not consult with state governments, even though state governments fund or half-fund the delivery of
health services through the public health system in Australia. There has been no consultation with state governments. But then, that is another concern and I think it provokes the response that we saw from the ACT, where they suggested that the government should avoid this ad hoc policy tinkering approach.

The Labor members will come in here and tell us that this is about giving low-income earners a tax break. They will tell us that there has been no indexation and they will tell us: ‘We are looking after those who need a tax break and we are providing assistance to those people, so we have taken this number of $100,000’. If you earn over $100,000 as a single or $150,000 as a couple, you will be subject to the Medicare levy surcharge. This seems to be a number that the Labor Party have decided upon. It is a threshold that they have applied across a number of measures. What they are saying to people is: ‘If you earn over $100,000 as a single or $150,000 as a couple, you are rich, so you do not deserve to participate in a number of the programs that the government runs.’

There is no justification for this figure. If they are talking about indexation, and that is the intent of the government, then indexation of this measure would have put the threshold at about $75,000 or $76,000. So I do not see how the government can claim that this is an indexation of the threshold. It is basically a decision that the government have made. They have decided on these arbitrary numbers of $100,000 and $150,000 which, if you earn over them, as a single or a couple, you are rich and you do not qualify for the assistance. That is what the Labor Party will tell you when they come in here and make their presentations. But what they do not tell you is what they told the industry before the election.

When Kevin Rudd, the Prime Minister, wrote to the industry before the election, he made a number of promises to them. He said in his letter to them: ‘Labor will maintain the existing framework for regulating private health insurance, including the process for approving premium increases. Zero per cent premium adjustment is not Labor policy. I understand that Nicola Roxon’s office has also confirmed with you that federal Labor has no plans to require private health insurance funds to make equivalent payments to the public hospitals of patients who elect to be treated as private patients.’ He also said: ‘Federal Labor will also maintain lifetime health cover and the Medicare levy surcharge.’ We might revisit that a little bit later on.

It is interesting that Mr Rudd said in his letter that Labor will maintain the existing framework for regulating private health insurance. I think it is reasonable, having received that letter, that the private health insurance industry would have some comfort that there are not going to be major changes to the parameters within which their industry operates—that they can look at setting their premiums appropriately and that they can move forward with the comfort that life will go on essentially as normal—yet obviously that is not the case. I go back to a statement that has often been made to me: do not listen to what Labor say; watch what Labor do. Again, Labor has given the impression that things will remain the same, but obviously in practice that is not the case. We saw it with respect to grocery prices. The Prime Minister led us to believe before the election that he would bring grocery prices down; that has not happened. He led us to believe that he could bring petrol prices down, and that has not happened. He led the health insurance industry to believe that life would be continuing as normal, and of course we now know that will not happen.

I talked earlier of evidence based policy, so let us have a bit of a look at the evidence.
I did note that there had been no second-round impacts investigated by the government as part of this process. Yet they have in place, as I have said, the Australian Health and Hospitals Reform Commission, whose task it is to inform the government on changes. We know that the government have not referred this to the Health and Hospitals Reform Commission. When we started to interrogate the government about what this might cost the overall health system, they were not prepared to tell us because they had not done the work. We know this measure is going to have an impact on public hospitals around the country because state governments have told us that it will. Very conveniently, under this new world of cooperative federalism, when it got to appearing before the Senate inquiry, not too many were all that keen to present any hard figures or estimates of what they thought might be going to happen. Apparently they would rather be friends with each other and not let the public know what the impacts of these measures are going to be.

Fortunately, the Tasmanian government, before they had been reminded of their obligations under cooperative federalism, put a line item in their budget papers. That line item relates to public waiting lists. We know that the government has made an election promise to spend $600 million over the cycle to reduce public hospital waiting lists. We welcome that funding. We all know how much stress the public hospital system is under, and we have seen some of that money starting to flow. But, unfortunately, in my home state of Tasmania we have not seen the impact on public hospital waiting lists, quite probably because of the incompetence of the Tasmanian government in managing the hospital system down there.

We see in their projections for waiting lists that their target for 2007-08 was 8,323 and for 2008-09 their target is 8,950. Their explanatory note on why there is this further increase, and why there had been an increase to 8,323 in 2007-08 from 7,119 in 2006-07, says there was a significant increase in the waiting list during 2007-08 in part attributable to the theatre closures at the Royal Hobart Hospital to accommodate building works as well as an increase in demand for elective surgery. I find it amazing that the Tasmanian government make no provision for the fact that they are going to close one of their theatres or try to do something to minimise the impact of that on waiting lists, given that they have made promises to the Tasmanian people to minimise the growth of waiting lists and that they are getting about $8 million from the Commonwealth government to reduce elective surgery waiting lists. But then the note goes on to say, with respect to the increase from 2007-08 to 2008-09, that it is 'anticipated that demand will further increase as a result of the recent changes in the Medicare levy surcharge threshold which is likely to result in a fall in participation in private health insurance and a consequent increase in the number of patients'. That increase of 627, based on the targets from 2007-08 to 2008-09, is an increase of seven per cent.

If that increase is mirrored around the country then that is going to have a major impact on the delivery of health services through the public health system across the country. There has been debate through the Senate inquiry process as to the quantum, and I will accept that that quantum has varied a bit. But here we have one government who are saying that they expect a seven per cent increase in their public hospital waiting lists as a result of this particular measure that the government is proposing.

But what of the other costs? One thing the government did not talk about, which the inquiry did consider as part of the process, is the increase in premiums and what further
impact that may have on people remaining in
the system. There seems to be within the
reports a consensus that it will be between
two and five per cent. But when you add that
to what is expected to be the underlying in-
crease—the annual increase that we have
come to expect because of health inflation—
we are looking at an increase of somewhere
between 7½ and 10 per cent in health insur-
ance premiums. Again, that is something that
the Australian government has not told the
Australian people. We will wait to see what
happens with that and we trust that it is not
going to have too significant an impact. But
it certainly is going to have an impact on the
Health and Hospitals Reform Commission
process and the Commonwealth-state health
agreements going forward.

The Commonwealth expects as part of this
process to have a net gain of about $300 mil-
lion over the next four years. That is what the
budget papers tell us. But in the budget pa-
ers there is absolutely no allowance for the
additional funds that the Commonwealth will
have to pay the states to compensate for this
measure. When you consider that this meas-
ure will take something like $2.7 billion out
of the Australian health system based on the
government’s proposed savings and the loss
to the system of premiums that will be paid, I
am sure the states are not going to want to
stump up 100 per cent or even be keen to
stump up 50 per cent of the increased costs
of running hospitals because of a Common-
wealth government measure. The states are
going to want the Commonwealth to stump
up the lot. But even if it is a 50-50 split, if
the Commonwealth only stumps up half, that
represents a $600 million loss to the Com-
monwealth government over the forward
estimates, based on health insurance industry
numbers. So there is going to be a significant
cost, and we do not know what all the costs
are yet. I think there is great reason for con-
cern about this measure. And it is because of

Senator SIEWERT (Western Australia)
(11.41 am)—The Tax Laws Amendment
(Medicare Levy Surcharge Thresholds) Bill
2008 introduces measures that directly and
indirectly go to the heart of health policy in
this country. The Greens support the inten-
tion of this bill, but note that the debate on its
impacts has raised critical issues about
healthcare provision in Australia. The bill
redresses some of the inequity of policies
brought in by the Howard government in its
ideological efforts to promote and build a
private health sector at the expense of public
health care.

The ‘stick’ of the Medicare levy surcharge
introduced by the previous government in
1997 to encourage middle-income earners to
purchase private health insurance is without
indexation. This means that it is now captur-
ing people on much lower relative incomes
who can less afford private health insurance.
The Greens agree that, in the interests of
fairness, this issue should be addressed.
Raising the threshold, however, has resulted
in an outcry from the private health insur-
ance industry, claiming that the sky will fall
in, public hospital waiting lists will grow,
private health insurance premiums will rise
and the Australian health sector will be in
chaos. The Greens do not buy all those
claims.

This bill has focused attention on the
question of private health insurance, the no-
tion of a ‘balanced health sector’ and, impor-
tantly, the role of a strong, viable and prop-
erly resourced public health system as the
best way to provide health care in Australia.
This is a key policy concern for the Greens.
We believe in a strong public health system.
Written submissions and presentations to the
Senate Economics Committee inquiry have restored this health debate to centre stage and raised important issues that we believe this place needs to consider.

Raising the thresholds is an equity issue. Firstly, I will look at the thresholds. Yes, the Greens agree that the levy surcharge threshold should reflect the increases in average income over the previous 11 years. Individuals and families on lower incomes should be given a choice about whether to purchase private health insurance or opt for the public health system. They should be able to make the choice based on their own budget and life priorities and not be forced to make a choice between expensive health insurance or a punitive one per cent levy on their limited income. It is fair and equitable to restore the intention of the policy by lifting the threshold on income levels.

Of course, the fairest outcome would be to remove the Medicare levy surcharge altogether so that all Australians had the same choice about private health insurance. However, within the current context, lifting the threshold removes an unfair burden on lower-income Australians. The arguments against this measure have been predominantly from the private health insurance industry—hey, that is no surprise. Their argument is that this will force people into an already struggling public health sector and that the only way to balance the illness burden between public and private health is to continue the carrot-and-stick approach of forcing people into private health insurance.

The Greens have a number of problems with these arguments. As the committee found, there is no conclusive modelling to gauge the impact of these measures on the public health sector and, in fact, the department admitted during the inquiry that they had done no modelling on the impacts on public hospitals. We simply do not know how many people would choose to exit private health insurance. There are Treasury estimates and there are estimates based on modelling commissioned by the private health insurance industry. The figures differ dramatically. In fact, it is a question of duelling models and which one you believe. In evidence to the committee, Professor John Deeble, emeritus fellow of the Australian National University and the father of Medibank, calculates that the overall income impact on the public health system is likely to be an increase of approximately two per cent per annum. Others point out that those most likely to be affected by this measure are the young and healthy, those who are least likely to require hospitalisation. The fact is that it is not possible to accurately estimate the impact because, as Dr Woodroff, President of the Doctors Reform Society, pointed out in his presentation to the committee, the purchase of private health insurance is not an objective, rational or measurable act. It is highly subjective, and research shows that the cost, as a premium or as a tax incentive or disincentive, is rated lower than perceptions of security and safety. This simply means that the removal of the surcharge will have less of an impact on people’s choices about private health insurance than their age, their general health and their perception of risk and security in general and in relation to their health and wellbeing.

This brings me to the principal concern of the Greens about this debate. The Greens have long argued for an end to the Howard government’s massive subsidy to the private health insurance industry. Approximately $3.2 billion is effectively poured straight into insurance industry pockets through this massive subsidy. Imagine what $3.2 billion over 12 years could have done if it had not been directed to the private sector but to the public health sector for public hospitals, nurses, better facilities, health technologies and bet-
ter preventative and health promotion measures. The substantial changes introduced by the Howard government since 1996 have seen the erosion of funding to the public health sector, with a consequent massive injection of funds into the promotion of private health insurance membership.

It is important to note that it was the Howard government policy narrative that, at the time, linked the decline of private health insurance membership with the burden on the public health system and then made this the central problem for the financial sustainability of the Australian healthcare system. The concept of a 'balanced healthcare system' has been accepted as an inarguable given, and yet the evidence suggests that there is in fact no causal link. Dr Amanda Elliot, health policy analyst at the University of New South Wales, points out in her analysis of the changes to the healthcare system under the coalition government that:

By claiming the health care system was, first, in disrepair, and secondly, in disrepair because of the weakening of Medicare through a decline in private health insurance; the Coalition constituted both the problem and the range of possible solutions.

The solutions were, as we know, to build private health insurance membership through a range of measures directing funding to the private health sector. This has diverted resources out of the public health system and worked very effectively to create a powerful and wealthy private health insurance industry. It has not taken pressure off the public health sector. As extensive research illustrates, the consequences of this have been dire for the public health sector. Rather than taking pressure off the public sector, the opposite has occurred, with serious consequences for staff and patients in public hospitals. We know that national hospital data shows that the pressure on public hospitals has not been reduced and that international research shows that there is no link between increased private hospital activity and reduced waiting lists in public hospitals. Indeed, Stephen Duckett finds that the more hospital care is provided by the private sector the longer are the waiting lists for public patients. And let me remind you that Stephen Duckett is no slouch when it comes to health policy. He is an economist who now heads the Queensland Health Reform Team. He was Secretary of the Australian Health Department from 1994 to 1996 and has held leadership positions in the Victorian Health Department, at La Trobe University and as chair of the boards governing the Alfred and the Brotherhood of St Laurence.

The public hospitals desperately need increased resources to provide the best possible care, to attract and retain skilled staff and to improve care and treatment options. In her evidence to the committee inquiry, Professor Leonie Segal had this to say about the impact of the private health insurance rebate:

... if we were not supporting private health insurance and those dollars were available to go into health in other ways, they could be used to increase the Commonwealth contribution to public hospitals by one third.

The Greens could not agree more with Professor Segal’s analysis.

The private health insurance industry makes a further argument that this measure will force them to increase their premiums, because low-claiming members will drop their insurance, leaving a greater proportion of higher-claiming members. They argue that private hospitals will be adversely affected by a reduction in business of between six to eight per cent and may have to close or reduce the services offered. We do acknowledge the concerns voiced by National Seniors in their submission to the committee that older Australians who are able to retain their private health insurance could bear the brunt of rising insurance premiums. If they are
forced to drop their insurance, they will join
the public hospital waiting lists.

The Greens find Choice’s response to the
industry’s claims compelling. The consumer
advocacy organisation Choice argues that the
removal of the government-imposed ‘incentives’
on people to take up private health insur-
ance membership will shift the onus onto
the industry to make their product more at-
tractive to the consumer. That means the in-
dustry will operate in a market; the industry
will have to come up with its own incentives
to attract consumers, rather than operating on
government subsidisation, as it has for the
past 11 years. No doubt the market will help
the industry to keep their premiums as low as
possible.

Despite a lack of certainty about the actual
impact of these measures, there is no doubt
that there is likely to be some increase in
public hospital usage. That is of course a
matter of great concern to the Greens. The
Greens believe that the public health sector
should not carry the financial burden of
measures which are intended to bring a tax
measure into line with the current economic
context.

As I have stated earlier and my Greens
colleagues have argued in this place for
years, the Greens believe that the public
health system should be properly funded and
that the billions of dollars which have been
diverted from it over the past decade or more
should be restored. Notwithstanding the fact
that we will not achieve that goal here today,
we believe that if there is any impact on the
public hospital system it should be compen-
sated for by the federal government.

If, as the government claims, this bill is
intended to redress an unfair consequence of
a Howard government policy on low- and
middle-income earners and is not a tax grab,
then there is no argument to keep any money
raised in consolidated revenue and to not use
it to compensate an already struggling sys-
tem should this measure adversely impact on
public hospitals. We therefore seek a com-
mitment from the government that it will
address any adverse impacts—that is, that no
public hospital will be worse off because of
this measure.

In order to determine what impact, if any,
this measure will have on the public hospital
system, we are introducing an amendment to
require a review of any of its impacts to be
undertaken. The modelling, as I have said, is
inconclusive in predicting both its short- and
long-term effects. Close questioning of ex-
pert witnesses has failed to provide any sub-
stantive data on this question that could re-
solve this issue now.

We believe it is incumbent on the gov-
ernment to undertake a review of the impact
of this bill on the health sector generally, the
public and private sectors and not-for-profit
hospitals, which could also be affected. The
government should ensure that an evaluation
is undertaken as part of this legislation. To
that end, the Greens will be introducing an
amendment that calls for a review of the op-
eration of the act each year for the next three
years. This will determine if there is an im-
port and whether the government needs to
compensate the public health system.

In addition to that key concern, the Greens
have identified another measure that we be-
lieve will improve this bill. The amendment
we propose is also consistent with the articu-
lated concerns of the government that
brought about the introduction of this bill.
The Greens want to ensure that the income
threshold level for the levy surcharge is in-
dexed to the consumer price index to ensure
that it remains in line with the contemporary
economic climate. The Greens will be intro-
ducing an amendment to index this measure,
which the Howard government failed to do
when it introduced it in 1997.
We believe it is up to the government to demonstrate their commitment to a strong public health system and to guarantee to the Australian community that this measure will have positive effects on our public health system, that it will not have negative effects on our public health system and that if there are any negative effects they are compensated for by the government so that no public hospital is worse off.

We do not believe the modelling that the private health insurance industry has put forward, but if it is proven that there is an impact on the public health system we need to address that. The government need to commit to the Australian community that they will ensure that public hospitals and the public health system will be no worse off because of this measure. I see no reason why the government cannot issue that guarantee to the Australian community.

Senator JOYCE (Queensland) (11.56 am)—The Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008 is yet another mechanism in which the Labor Party has got its figures wrong, and the cost to the Australian people will become quite evident if it is to go forward. Insurance starts from a simple premise—that if everybody in the street insures their house and one house burns down then the costs are covered. But if no-one insures their house you either have a total win or a total loss.

This bill is obviously going to push people out of private health insurance. The Treasurer said that that is not a concern because it is only the young and the healthy who will leave. Of course the other side of that argument is that only the old and the infirm will remain behind. As your pool of potential payers to your insurance premium reduces, the cost for those who are left behind has to go up. That is the only way it can work.

If you go through the figures, realising the sorts of people who are going to leave, we are probably looking at in excess of 900,000 people who are now out. That is going to require about another 1,000 beds in the public health system. That is the equivalent of the Royal Children’s Hospital in Victoria or the Brisbane and Women’s Hospital in Queensland.

That would not be a problem if the public health system was screaming along. But the public health system has in many cases come to a screaming halt. It is an absolute basket case. This legislation from the Labor government is going to take people from an asset that is working, the private health system, and move them into an asset that is not. So we will have excess capacity in the private health system and an overburdened public health system.

If the government want to put forward the argument that they think the public health system is working fine, then I welcome the debate on that. We could have a debate on that issue. We could walk up and down the coast of Queensland talking about it. We could go to some interesting towns—Bundaberg would be a good place to go. We could have the debate there; they have some good ideas about the public health system. This is the sort of logic that the Labor Party have.

Let’s look at some of the costings in this bill. If it goes through, the budget papers show that there will be savings from the rebate of $231.6 million in 2008-09 because of the changes to the thresholds. PricewaterhouseCoopers, as an independent auditor, calculated that the number of rebate payers that would be required to achieve that budget estimate is 613,757 rebate payers. That equates to 613,757 financial units, which equates to 908,163 persons, taking into account families and children. That
represents 9.7 per cent of the insured population dropping out, which is a very large component. It would make an incredible difference if that portion of your insurance pool all of a sudden removed itself.

In deriving the cost-benefit of the members who potentially will leave private health insurance, they have excluded from the calculations the over-65 private health insurance population—whose claims represent half of all benefit claims. The cost of this cohort of members is around $484 per annum. On this assumption, if we believe the budget papers are correct in asserting $231.6 million in private health insurance rebate outlays, there will be an additional 908,000 people relying on public hospital cover. Let us look at that. That is—what?—Hobart, Canberra and a few other towns thrown in. This is the financial wizardry of the Labor government. Let us go through the costings. The state governments will require an extra $439 million just in 2008-09 to cover the hospital costs of the newly reliant people—that is, 908,000 people by $484. Over four years this would be an extra $1.76 billion, not accounting for health inflation. The Labor government wants to foist that back onto the Australian taxpayer—because that is who will end up paying for it. You go from the people who want to pay it and back to the taxpayers—that is, the people who have to pay it. Then there will be the lag time as they construct the necessary beds. We will have on our hands a complete and utter fiasco. It will be bigger than the public health fiasco we have at the moment.

Let us look at their track record. We are relying on the Labor government—and Labor governments currently administer the state health systems—to oversee this new nirvana of a public health system. I would love to know which state they see as the shining light of the public health system, which model they are going to follow. To their colleagues in which state government are they going to say, ‘Well, yours is the example we want to follow’? Do they want to follow the example of Queensland? Do they want to follow the example of New South Wales? Unfortunately, with increasing regularity there are graphic stories on our television screens of ladies having babies in toilets, of people having their child on the road between Rockhampton and Emerald. And there was the Dr Death scandal. The public health system is a sign of absolute incompetence. Why would we take this philosophical approach and put more pressure on a system that is already at breaking point?

The smart money would be on fixing up the system you have and alleviating the pressure on it by encouraging more people into the excess capacity in the private health system. We should do that regardless of philosophies about private or public; we should just work on the philosophy of what is best for the Australian people. What is the appropriate asset to provide the most Australian people with the ability to deal with their health requirements? How do we logically and methodically spread the numbers across the health care assets in our nation? That requires that we do not tear down the impetus for people to enter the private health system and be covered by private health insurance but that we increase the logic for people to be part of that process.

As more people who are ‘young and healthy’—to quote Mr Swan—move out of the private health system, the premiums for those who are left are going to have to go up. They will have to. If the young and healthy are moving out, the old and infirm are obviously staying behind. The old and infirm will make a greater claim than the young and the healthy. Premiums will have to cover that, and to cover that premiums will have to go up. Then we will get to the really cruel part. The cruel part is this. It is those who have a
sense of insecurity, more than anything else, who attach themselves to a private health premium. I especially refer to people who in their former lives have been nurses. The thing they want the most is the security that, if they get sick, they will get the best care. They can struggle without a plasma TV. They can live without that. They can be frugal in how they deal with their domestic requirements. But, if you go to the essence of their fear, it is that if they get sick—if something goes wrong—they will not have the capacity, the security blanket, of having appropriate health cover immediately.

For those people who are under stress, this will put their premium up. It will put their premium up when they are already under immense stress. This goes especially for pensioners. Pensioners are doing it so tough, and this will put them under stress. They do not have the extra money to spend. These people are at a time in their life—if they are retired and if they are pensioners—when they do not have the capacity to access an increased income stream. If people are already severely financially constrained and you go to one of their greatest security blankets—that is, their private health insurance—and you put it outside their reach, what message are you sending to them? I know that they are the people who are affected by this. I will not quote them, but I can think of people who have been involved in the public health system and it is funny: nurses in the public health system are the ones with private health insurance. They vote with their wallets. They know what is in store for them otherwise.

Why are we doing that? What is the logic of putting extra pressure where pressure already exists? I do not see anything in this that mitigates it. I do not see the Labor Party even addressing the issue. They have not even considered the issue. They have not thought around the issue. This is another one like the luxury car tax of yesterday and today: it is a philosophical issue—when philosophy stands in proxy for good judgement and proper modelling.

The other thing that disturbs me about this bill is the modelling itself. The modelling talks about savings but it does not talk about the extra costs to the Australian taxpayer in having to build an extra 1,000 public beds. Where is that in your modelling? Or do you think some miraculous occurrence will happen and these beds will just appear? Where is that in what you have delivered to us? Everything that the Labor Party has done lately just shows one side of an equation. I do not know whether it is ineptness, laziness or whether they are trying to be mischievous, but it is completely and utterly shoddy.

I am going through these figures that you have put before us: in 2007-08, 2008-09, no cost; in 2009-10, $195 million; in 2010-11, $235 million; in 2011-12, $230 million. The explanatory memorandum then says: This measure will also result in a decrease in Government expenditure on the private health insurance rebate. As such, the overall financial impact over the forward estimates is a net saving of approximately $299 million. Compliance cost impact: Negligible.

When do we start taking you guys seriously? When are we actually going to get something delivered to us in the economics committee which is a true indication of what the cost is to the Australian people? This is bad process—this delivery of half the facts, half the issues. This is taking the Australian people for a ride, believing that you can actually bring it into this chamber—into the Senate of the nation—and think you are going to get away with it. We will hold you to account. I hear what Senator Siewert has said, and I concur with some of what she says—we need to get more detail on the table.

I look forward to asking questions in the committee stage—as we did yesterday. Yes-
terday was amazing. There were times of incredible silence after questions were asked during the committee stage of the luxury car tax bill. I saw Senator Conroy in quiet moments of prayer every time a question was asked of him, as he went diving through papers trying to find the figures to ascertain the financial impact on Treasury. It will be another case of that today. I forewarn you: once we get to the committee stage there will be some questions asked to make up for the completely vacuous state of the information that you have provided the Australian people through your tabling of figures so far.

I am even interested in how we came up with these arbitrary changes to the levy. Where did these magic numbers come from, where the threshold jumped from $50,000 to $100,000 for individuals and from $100,000 to $150,000 for families? There is a $50,000 jump. Why? Why did we pick $50,000? Why not $25,000, why not $10,000? Where did that number come from? Was that just another miraculous pop-up number? The pop-up numbers of the Labor Party—when things fail, you just make them up! I am happy to forewarn you that there will be questions about that.

The argument is so simple it is a no-brainer. The argument is: if we move people out of the private health system, they end up in the public health system and the public health system does not have the capacity to deal with them. Therefore, they will not be treated properly. Therefore, you take people from a position of protection where they are looked after to a position of exposure. That is an irresponsible thing to do, so you don’t do it. The logic is a no-brainer.

But putting that aside, in your desire to prosecute this argument, what is the information that you have delivered to the Australian people? Have you delivered to the Australian people only half the information? It looks awfully like once more you have. It is yet another example of the Labor Party’s complete lack of detail when it comes to anything pertaining to the finances of this nation. Are you endeavouring at a future stage to deliver to us the figures of how much it is going to cost to build ourselves another couple of major hospitals for these new public beds that will be required? To give you an example, there are about 500 beds in Canberra, which covers about 520,000 people. There are about 550 beds in Hobart, which is for 240,000 people, so you are doing all right. This will be like creating public beds for Hobart and Canberra. Where is that in the budget? How are we going to cover that cost? Who is going to table that for us and how quickly can you cover those costs for these people who are going to end up in the public health system—or do you think we can get away with not covering that cost? Are you going to show to us where the excess capacity currently is for these people? One of the things the nation has got to provide them with is appropriate health cover. Are you going to show us how you are going to do that with the capacity you currently have?

These are the questions that have to be answered. If you cannot answer them, the only right thing for the Senate to do is block this legislation so as to, first and foremost, save the government some money, because as we have already noted there is about $1.7 billion that we will be saving if we block this. So we will help you out. Secondly, we do it to make sure that we deliver to the Australian people the appropriate health care consequent to their needs with the most effective use of the public health asset and the private health asset that are currently at our disposal. I would be suggesting that this would have to be voted down. That would be the only appropriate decision that people can make premised on where the state hospital system
is, premised that so far with Labor management under the states the whole thing is a complete and utter fiasco. This would just exacerbate the fiasco that your state colleagues are currently managing. You have not provided us with any mechanism, rhyme or reason for the figures we have before us or any path of progression of how we are going to deal with the thousand beds that will be required.

Senator BOYCE (Queensland) (12.15 pm)—We have in front of us right now a great example of fiscal conservatism meeting Labor ideology head on. What a shemozzle! The coalition very successfully reformed the tax laws in 1997 to provide incentive and choice in the health system. And, most importantly, we have made the health system more sustainable and more available to more Australians. As the shadow minister, Mr Hockey, at the time said:

The coalition is an advocate of choice for Australians.

The Rudd Labor government is not. We believe that as many Australians as possible should be able to have a realistic choice about private health insurance to cover them against unforeseen medical needs. As Senator Joyce pointed out, that is one of the great fears of our elderly in particular.

Today we are debating what I think is probably one of the worst pieces of public policy that the Rudd government has managed to produce in its fairly short, nine-month career. There is no other piece of legislation they have so far attempted to introduce that would have a more detrimental effect on our public health service and no other piece of legislation that will be more inequitable in its effect on health services than this government proposal to significantly increase—double—the threshold for the Medicare levy surcharge.

As far as I am concerned, this bill is blindly driven by ideology. Their view of equity is to make everyone less equal, to destroy choice for as many as possible. In 1997, with private health insurance membership sitting at about 35 per cent of the population, the then Howard government made one of its best long-term decisions: to amend the laws to give incentive to middle-class Australians—all of Australia—to make provision for their own hospital cover. The then government brought in a 30 per cent rebate and a Medicare levy surcharge of 1.5 per cent on income for singles who earned more than $50,000 and families who earned more than $100,000, which was designed to give robustness to the system. That meant that for the very first time there was an incentive for many Australian families to take out private health insurance to cover potential hospital expenses. Coupled with the 30 per cent rebate, it put private health insurance within the reach of millions of Australians and their families.

In fact, the most recent figures that we have from the Private Health Insurance Administration Council show that 9.477 million Australians—nearly 45 per cent of the Australian population—are covered by private health insurance. This ensures that they can get access to quality health care when they most need it, at a reduced cost to the Australian taxpayer. I very strongly believe that this was one of the most important achievements of our government in terms of equity. I believe that it is one area of public policy that the Rudd government will most definitely come to regret as time goes on. By raising the thresholds before the surcharge must be paid, the government is opening up the floodgates to many people to leave the private health insurance system, as Senator Joyce pointed out to us.

In my view, there will be three results from this. It will leave many Australians...
without private health insurance and without hospital cover at all at the time when they most need those health funds. It will add great pressure to the health funds to spread the loss of revenue that they will suffer, and that will increase premiums to remaining policyholders. It will also force hundreds of thousands of people who no longer have private hospital cover back into the public hospitals at greater expense to the federal and state governments, who will have to pick up the cost of those now uninsured Australians. There will be an inevitable decrease in the membership of the health funds. As Senator Joyce pointed out, it is impossible to get to an accurate figure on this. Certainly one of the first things that came to light was that the Treasury modelling underestimated the numbers that would be involved. But we can assume that we are talking about more than three-quarters of a million people—perhaps a million.

Why would ordinary Australians who earn over $50,000 a year and have relatively good health join a fund unless there is an incentive? Why wouldn’t they pull out of the fund and then, at the expense of the Australian taxpayer, use the public health system? The people who will let their policy lapse are the young and healthy. As Senator Joyce pointed out, the Treasurer, Mr Swan, also made that comment as did the Minister for Health and Ageing, Nicola Roxon. Minister Roxon did not think it was a problem if the young and healthy pulled out of private health insurance. But, of course, it leaves the old and the unhealthy as the only ones who are still covered by health insurance with the inevitable premium rises that this will produce. This is just another example of this government’s ‘empathise and ignore’ policy.

We have a report from Minister Roxon entitled *The state of our public hospitals*, in which she says:

> Our commitment now is to work together to reform Australia’s health and hospital system to meet future challenges – such as our ageing population and the rising burden of chronic disease.

> There is no way this government can claim they are not aware of the pressures that are going to develop within the health system. It is just that they are going to let ideology overcome any commonsense, any good public policy, in regard to how you deal with that issue.

The country needs people to make provision for themselves in order to relieve the burden on the public health system. If the young and the healthy let their policies lapse then the health funds will have fewer people amongst which to spread the risk. It is pretty basic economics, as Senator Joyce pointed out to us. The health costs for senior Australians will be borne more and more by the public system and by those senior Australians themselves. Of course the government continues to say, ‘We know it’s tough for senior Australians and we’ll do something about it anytime in the next 12 months or so.’ It is good old empathise and ignore.

There will be an ongoing downward spiral, and the government knows there will be. With fewer and fewer people in the health funds, the state public hospitals will have to find more and more beds for those who do not have private health insurance. The state treasuries know this. It will end up costing hundreds of millions of dollars in extra expenditure, as Senator Joyce explained to us. The equivalent of two major Australian hospitals will be needed straightaway to deal with the extra burden on the public hospital system. The state of our public hospital system in Australia is already at breaking point without the added costs of millions of uninsured Australians needing to use the system. The Rudd government made a virtue throughout last year of attempting to sound
and act like the former Howard government. They tried to make the Australian public think that there was no substantial difference between the coalition and the Labor Party. They kept telling everyone about how fiscally conservative they were. I have some news for the Labor government: fiscal conservatives do not jeopardise the funding of public health for all Australians, fiscal conservatives do not deliberately cause a blowout in government expenditure by removing incentives from the tax system.

In my state of Queensland, the public hospital system is in a shambles. I was horrified—although, unfortunately, not very surprised—to read in the *Sunday Mail* a few days ago that the Queensland state government has been fudging the numbers in the public hospital system. There are, according to Queensland Health, 10,234 public hospital beds in Queensland. The only problem with that figure is that 1,370 of those beds—that is, 14 per cent—are not beds at all. It turns out that almost 1,400 ‘things’ that the state government called beds are really chairs, trolleys, cots, stretchers and, in some cases, lounge suites. If the Queensland state government is going to be passing off chairs and lounge suites as beds, the state public hospital system is absolutely in crisis.

We need to do everything we can to relieve the pressure on Australia’s public hospitals, not to make it worse. We need to get as many Australians as possible into health funds. We need to ensure that there is both incentive and affordability about having private health insurance for middle Australia. These are the people who, with incentive and with help, will get into private health funds. As I said, and I think as Senator Joyce has pointed out and as Senator Siewert has alluded to, the state of our public hospitals in Australia is at breaking point. This federal government know it but they do not want to act on that knowledge; they want to continue with their ideological game.

I would like to draw the Senate’s attention to the report—a very lovely glossy report—entitled *The state of our public hospitals*, published by Minister Roxon in June 2008. As I said, it is a beautiful glossy publication, although the lights are out in half the windows of the public hospital used in the photograph on the cover of this publication. It is a lovely glossy publication, with lots of pictures of happy smiling faces and with lots of happy hospital patients in it. It has lots of charts examining the state of the public hospitals in each state and territory—or what appear to be charts examining the state of the public hospitals. There are lots of ticks and lots of tables. But, when you look at it more closely, all those ticks are not about how good the system is; they are about measuring the system—tick, waiting lists; tick, elective surgery; tick, quality assurance. Yes, the hospitals apparently measured them, so we have lots of nice ticks saying that they are measured, but there is no information in there about what those measurements tell us because the governments would be far too embarrassed for that information to come out. We have to rely on stories in the newspapers.

The *Courier-Mail*, the major newspaper in Queensland, now has a standard page with the heading ‘The hospitals crisis’. Every day they fill a page with the hospitals crisis in Queensland. It goes on and on. So, whilst we have this beautiful glossy report, it is based on information provided by the state governments. For instance, on page 5 this report tells us that there are 758 public hospitals in Australia with 55,904 available hospital beds. Let us just think about that in terms of the information we have from Queensland. Fourteen per cent of the hospital beds in Queensland are not actually beds. They are chairs, they are lounge suites, they are trolleys and they are stretchers.
Senator Barnett—That’s disgraceful.

Senator BOYCE—It is completely disgraceful, as you say, Senator Barnett. Poor ignorant me: like most ordinary Australians I thought that a bed was something you got to lie down on, but that is not the case within the hospital system in Queensland—and we have exactly the same issue throughout Australia. So it is a beautiful report with lots of ticks, but for what? The report is not worth the glossy paper that it is printed on. The federal government, by their very own admission, have no idea about the true state of Australia’s public hospitals and they have no idea about what impact this measure will have on what is already a dying system. They have no idea about the huge or growing cost of running them, not just to meet the needs that we know about but to meet the needs that this bill will push further into the system. If they do not know how many beds there are in Australia’s hospitals, they are certainly not in a position to financially secure the running costs of the nation’s public hospitals.

I am afraid I do not have Senator Siewert’s faith that, if the public hospital system gets worse—although it is pretty hard to imagine how that might happen—the government would find ways to repair that and to allow for that. I hope that Senator Siewert is right in having faith that the government can do something about the hospital system, but I am afraid I do not share her faith.

By dramatically lifting the Medicare levy surcharge thresholds, as this legislation would, the federal government is forcing the cost of finding even more chairs and trolleys back onto the state governments. As we all know, the state governments, given their record to date, given their history, certainly cannot afford and cannot administer, and cannot hope to cope with, growth in the public hospital system. By increasing the number of patients, the Rudd government is simply blowing out the problem even more.

So this is an issue that will need to be addressed again and again. I think there is a very real chance that, down the track, a future Rudd government or—let us hope, for the sake of the Australian health system—a future coalition government will find that they have no alternative but to adjust the Medicare levy surcharge threshold to put an incentive back into the public policy mix around health and health insurance.

This bill is terrible public policy. I know the Prime Minister, Mr Rudd, is a man who takes a lot of pride in the time he spent as a senior public servant in Queensland—a man who told us that his public policy skills would be an important component of the way he would go about governing this country. You would hope that he would know that, if you have a huge decrease in private health insurance funds, the people who will suffer the most are those who really do need to rely on the public health system.

What we have here is an old ideology, an old class warfare argument, being dressed up as some sort of fiscal conservatism, some sort of responsible government. The Labor Party has always worked against those who had the foresight and the resources to provide for themselves, particularly with regard to private health. The Labor Party has always wanted to drag everyone down to the same, lower level and ensure that as many people as possible are forced into the public hospital system—a hospital system that is collapsing even without these extra people being forced into it. The Labor government cannot get past its welfare mentality and instead reward those who are able to take care of themselves, by assisting them to free up resources within the public system.

This bill needs to be opposed. It has horrendous public policy consequences and they
will not be easy to fix. If a dysfunctional system is put under even more pressure, the consequences for ordinary Australians will be particularly dire. Fixing the problem of the number of people who will flee private health funds if this legislation passes will take years and years. It will take years to repair confidence in that sector. It will take years to get private health funds back to a situation where they relieve the pressure on the public system.

The Medicare levy surcharge was a very positive and important reform introduced by the former government in 1997. Future generations of Australians and future Australian governments will very much regret rolling back these reforms. Sick and elderly Australians, and families who have members with chronic disease—the people who apparently do not matter that much to Minister Roxon, to the Treasurer or to Minister Macklin, who has suggested that she will have it all fixed by 2020 for older Australians—are the ones who will end up paying the price as our public hospitals clog up more and more. This is poor policy now and it will be poor policy for generations to come.

Senator BARNETT (Tasmania) (12.34 pm)—I stand in opposition to this bill, the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008, and concur with the statements of Senator Boyce, Senator Joyce, Senator Colbeck and others on this side of the chamber who have expressed extreme concern about the impact of this proposal on, firstly, public hospitals and public hospital waiting lists and, secondly, private health insurance premiums—the upward pressure that this will be putting on premiums across the country. Let us go to the nub of this bill before I look at some of the reports and evidence about its impact and consequences, particularly in my home state of Queensland.

The nub of this amendment bill is that it is underpinned by the ideological antagonism that the Labor Party have for private health insurance. They are fixed in their views and have historically held a position that opposes the benefits of private health insurance. This has been demonstrated by their voting record, their public comments and their policies over decades. The Labor Party are ideologically fixated on this—against private health insurance. On this side of the chamber we believe there is a need for a balance between private and public hospitals, between the private and public health systems. It is very important that we get the balance right. The Medicare levy surcharge—thanks to the former, coalition government led by John Howard—is an excellent initiative in terms of supporting private health insurance. It has delivered the goods in terms of getting that balance right. But now Labor want to try and turn the clock back; that is the impact of this bill. This bill from the Labor government is the thin edge of the wedge, and it should be opposed. It should be strongly opposed because, firstly, it has consequences for waiting lists across the public hospital system throughout the country and, secondly, it has consequences for private health insurance premiums—that is, upward pressure on premiums.

In the lead-up to the federal election, we heard the Rudd Labor government’s views that their policies would put downward pressure on grocery prices, downward pressure on interest rates and downward pressure on fuel prices. But before the election they did not say anything about this policy, which of course is going to put upward pressure on private health insurance premiums. And what have we seen with respect to grocery prices? Up. With respect to petrol prices? Up. Interest rates? Since the election of the Rudd Labor government, they have gone up. That is
the nub of this bill; that is the background to it.

Now let us have a look at some of the impacts that this is going to have on Tasmania, my home state, and indeed across the country. Firstly, it is a Rudd Labor government initiative which was announced in the May budget that the threshold for the Medicare levy surcharge paid by those living without private health insurance would be raised from $50,000 to $100,000 for singles and from $100,000 to $150,000 for families. What did the government’s own figures say about the consequences of that in people dropping out of private health insurance? We know that the government’s own figures were that some 400,000 Australians would drop out, but that was a gross underestimation compared to figures from the Australian Medical Association and the Australian Health Insurance Association. The latter estimated a drop in health insurance membership of some 913,000 and an extraordinary premium increase of some 10 per cent. Battling Australians cannot afford that type of increase any day of the week, let alone over a longer period of time.

The AHIA report—a report made to the Senate committee of inquiry looking into this matter; it is a public document, and I commend it to senators and, indeed, to members of the public—says that in my home state of Tasmania these changes will increase the cost burden on the state health system by an additional $56 million, Madam Acting Deputy President Brown. I alert you to that particular report, and I draw your attention to it. I know that as a Tasmanian senator you would have an interest in it. The report also says that there will be an expected 627 extra Tasmanians on the public hospital waiting list next year. In their submission to the Senate, the Australian Health Insurance Association say that the changes will have a likely total additional cost impact on the public hospital system across the country of $2.6 billion over five years, with the Tasmanian health system to bear the brunt of the $56 million of this cost that applies to Tasmania. That is what they say in their submission, and it is very disturbing, so why isn’t the government listening? Why isn’t it responding to these concerns that have been expressed—and they are not just concerns; these are legitimate predictions of the impact of federal Labor government policy?

In an interesting twist, the state Labor government predicts a planned increase in the public hospital waiting list from 8,323 this year to 8,950 in 2008-09. So they are predicting an increase in the waiting list. That is in the state government documents—their budget papers. That is what they say—an increase of 627 Tasmanians as a result of federal Labor’s Medicare levy surcharge proposal. That is the impact. In fact, the Tasmanian state budget papers for the year 2008-09 attribute the increase in public hospital waiting lists directly to the proposed Medicare levy surcharge threshold changes. I quote from the state government budget papers:

It is anticipated demand will further increase … which is likely to result in a fall in participation in private health insurance and a consequent increase in the number of public patients.

Goodness! That is on the public record; it is in the state government papers. They are saying on the record what the consequences are, and they are very adverse and severe for Tasmania—for the public hospital system and in their impact on private health insurance premiums.

Secondly, in June this year the St.LukesHealth insurance organisation, headed by Colleen McGann—and I want to commend Colleen McGann for her leadership and the board of St.LukesHealth for standing up not only for their members but
for Tasmania; I alert Tasmanian senators across the chamber to their views—estimated that the Launceston General Hospital could face up to an additional 10,000 patients under the new changes, with similar pressures to affect other Tasmanian hospitals. On a population share basis—and these predictions are very concerning—up to 50,000 Tasmanians could transfer to the public hospital system. Hospital waiting lists have grown almost 50 per cent since Labor took office in Tasmania some 10 years ago. That is why Will Hodgman and the state Liberals have it right when they call to account the performance of the Bartlett Labor government and the Minister for Health and Human Services, Lara Giddings, for, indeed, their lack of performance in this regard—for the lack of ability to stand up to federal Labor and say, ‘This is wrong; this is against Tasmania’s best interests.’

Tasmania has the poorest hospital indicators of any state in the country. This is a disgraceful performance that we have in Tasmania, particularly in waiting times for elective surgery. The report referred to by Senator Boyce, The state of our public hospitals, certainly refers to some of the indicators but not to very many of the key performance indicators. It should. But certainly that document highlights Tasmania’s performance, and it is not good. So Minister Lara Giddings needs either to get on a plane, get up here to Canberra and express her views or to express them in some other way to her federal Labor colleagues. Indeed, Minister Giddings wasted the opportunity to go into battle for Tasmania when she refused to speak out against her federal Labor colleagues on the negative effects that these changes would have on Tasmania.

Indeed, the federal member for Bass, Ms Jodie Campbell, has refused to speak out on this. Why hasn’t she spoken out? She knows the views of St.LukesHealth, which is based in Launceston, that it will put 10,000 extra people onto the public hospital waiting lists. Those are big numbers for Launceston, her local community, but what has she done? She has done nothing to stand up for the people in her local community, and this is what we need in Tasmania. We need representatives in the federal parliament who will stand up for their communities, not let them down and let federal Labor and the federal government roll over them. Of course, people are saying that she is the federal member from Canberra based in Launceston rather than the federal member for Bass and Launceston based there and representing their interests in Canberra. I think she has the shoe on the wrong foot. So it is important for Tasmania, and as I say I commend St.LukesHealth for their efforts and initiatives to show leadership in this area with regard to the adverse consequences.

The changes are being introduced despite a lack of any consultation with any state health minister. Even Western Australian Minister for Health Jim McGinty admitted it would put real pressure on elective surgery and emergency departments. He has said that on the public record. In fact, Ms Giddings refused to even acknowledge an invitation to appear before the Senate Standing Committee on Economics, which was due to take—

Debate interrupted.

NOTICES
Presentation

Senator Scullion to move on the next day of sitting:

That the following matter be referred to the Community Affairs Committee for inquiry and report by 4 December 2008:

The levels of Federal and Northern Territory Government expenditure on Indigenous affairs and social services in the Northern Territory, including expenditure on services for families, children and people with disabilities...
in the Northern Territory, with particular reference to:

(a) the level of service delivery and of outcomes achieved in Indigenous communities in the Northern Territory in relation to the expenditure of both Federal and Northern Territory monies; and

(b) whether the Northern Territory Government’s expenditure of goods and services tax receipts accurately reflects the Commonwealth Grants Commission’s funding formula for the expenditure of such receipts by program, by location, and by intended service recipient for meeting disadvantage and regional need.

FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL 2008

Second Reading

Debate resumed from 27 August, on motion by Senator McLucas:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

AVIATION LEGISLATION AMENDMENT (INTERNATIONAL AIRLINE LICENCES AND CARRIERS’ LIABILITY INSURANCE) BILL 2008

Second Reading

Debate resumed from 28 August, on motion by Senator Ludwig:

That this bill be now read a second time.

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (12.46 pm)—The coalition supports this bill. The coalition is proud of its efforts to modernise Australia’s aviation legislation. It supported acceding to the Montreal Protocol and is happy to support the latest round of changes to approve efficiency in the air travel industry to protect Australian passengers.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

AVIATION LEGISLATION AMENDMENT (2008 MEASURES No. 1) BILL 2008

Second Reading

Debate resumed from 28 August, on motion by Senator Ludwig:

That this bill be now read a second time.

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (12.48 pm)—The opposition fundamentally supports the thrust of the Aviation Legislation Amendment (2008 Measures No. 1) Bill 2008, which is to provide greater certainty regarding the lawful conduct of air security officers. The legislation proposes to amend the Aviation Transport Security Act 2004 and the Civil Aviation Act 1988 so that the new regulations under this legislation permit air security officers to lawfully discharge their firearms without risk of prosecution. Clearly there was some uncertainty in that area. Any legislation that clears up that uncertainty to ensure that they can go about their duties lawfully is important.

There is one area that the opposition does have some concerns about. There is no point in providing support under this legislation for what we call air marshals and providing them with further certainty about doing
things like lawfully discharging firearms and basically going about their core business if we cannot get some guarantee from the government about the tenure of this program. We need to guarantee that this program is going to be ongoing. The minister may be aware that earlier this year there was a spate of media articles flagging that the number of air security officers is to be cut by one-third. We all read things in the media. Of course we cannot necessarily take those at face value, but the opposition did take the opportunity to ask Senator Ludwig about this on 14 February. I understand those questions were put by the shadow Attorney-General, Senator Brandis. Those questions failed to receive any assurance that the Rudd government would not cut the air security program by the levels flagged in the media.

We are not sure exactly where this is going to go. On a number of occasions we have sought assurances from the Rudd government that this is to be a program that is not being wound down. This is a program that we support completely. On none of the occasions that have been given to the government have they taken that opportunity to guarantee the future of the air security officer program. There is an opportunity now—a very significant opportunity—for the minister to provide a response in this debate on the second reading. We would be more than happy to support the legislation, but we would really like some assurances. This is a great opportunity for the government to give assurances that the air marshal program is a fundamental part of our border security and that this government, the Rudd government, is absolutely guaranteeing the Australian people that this is not going to be wound down. Can the minister provide some transparency with regard to that guarantee?

Question agreed to.

Bill read a second time.
framework consists of a number of layers to ensure that Australia’s aviation industry is safeguarded and is able to respond quickly against threats of unlawful interference with aviation.

This bill makes amendments which will enhance one of these layers: namely, the operation of the Air Security Officer Program. This program involves the placement of covert armed security officers on select domestic and international flights to protect the flight deck. The bill amends the regulation-making power under the Aviation Transport Security Act 2004 to enable regulations to be made which will operate extraterritorially. This will allow regulations to be made permitting on-duty air security officers to lawfully discharge their firearms on board an aircraft in Australian territory or an Australian aircraft in foreign territory if it is for the purpose of preventing or responding to an act of unlawful interference with aviation. The amendments are in response to concerns that the current exemptions issued under safety legislation which allow air security officers to discharge firearms on board an aircraft are inconsistent with the purpose of safety legislation as the exemptions imply that it is safe to discharge a firearm on board an aircraft. The bill will provide a more appropriate and permanent basis to deal with the lawful discharge of firearms by air security officers under the aviation security legislative framework.

I have certainly heard the contribution that has been made by Senator Scullion and respectfully point out to him that the issue that he has raised is not one for the minister sponsoring this bill, the Minister for Infrastructure, Transport, Regional Development and Local Government, but is one that falls, I am advised, within the responsibility of the Attorney-General. That is certainly the advice that I have received in relation to the issue that Senator Scullion has raised.

I will undertake publicly, during this third reading debate, to draw that issue to the attention of the appropriate minister who, as I said, I am advised is the Attorney-General, and ask him to perhaps respond to Senator Scullion in another way. I do not think it would be appropriate for me to deal with it, given that there is a different sponsoring minister for this bill. I will certainly give the commitment that I will draw your comments to the attention of the Attorney-General and ask him to address those concerns directly with you.

In conclusion, I assure the Senate and Senator Scullion that the government will continue to monitor the effectiveness of measures within the aviation security framework to ensure that it remains responsive to changing threats to Australian aviation.

Question agreed to.

Bill read a third time.

OFFSHORE PETROLEUM AMENDMENT (DATUM) BILL 2008

Second Reading

Debate resumed.

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (12.58 pm)—This is largely a technical bill and the opposition support the amendment.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

BUSINESS

Rearrangement

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (12.59 pm)—I move:

That consideration of government business order of the day no. 2 (Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008)
be called on to enable second reading speeches to be made till not later than 2 pm.

Question agreed to.

**TAX LAWS AMENDMENT (MEDICARE LEVY SURCHARGE THRESHOLDS) 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) (1.00 pm)—In continuation of my remarks in opposition to this bill, I want to confirm again that the bill will have consequences for public hospital waiting lists, and that is that they will increase, that there will be consequences for private hospital insurance premiums and that there will be upward pressure for battling Australians.

Minister Lara Giddings missed an opportunity by refusing to acknowledge an invitation. I am advised she not only refused to acknowledge the invitation but also refused to appear and give evidence in Hobart on Friday, 8 August in regard to this matter at the Senate inquiry. Why didn’t she express the views on behalf of Tasmanians to make it clear that this will be adverse to Tasmanians? The committee held hearings in every state capital; however, I am advised that the Hobart hearings were cancelled due to a lack of interest by the state government. That is very disappointing when they could have expressed a view of concern and made it very clear.

Nevertheless, let us have a look at the statistics in terms of private health insurance across the country: 9.477 million Australians or 46.6 per cent of the population are covered by private hospital cover. In Tasmania, that is 213,000 people who are covered by full hospital cover and 240,277 by some form of cover—48.4 per cent of the population. That is a huge percentage, nearly half. Private health insurers paid a total amount in benefits of $232 million to Tasmanians for the year ended March 2008, an increase of 9.8 per cent on the previous year. That is a huge injection and that is why our system is a good one with a balance between public and private. The current high numbers are due to a commitment to increasing private health insurance membership, particularly amongst people aged between 20 and 50, based on three incentives: firstly, the 30 per cent rebate; secondly, the Lifetime Health Cover for people over 30; and, thirdly, the Medicare levy surcharge.

Federal Labor now appear intent on removing these incentives one by one. Certainly, it would appear that way. The biggest losers look set to be the poor and the sick, playing on the misconception that private health insurance is a product purchased primarily by wealthy Australians. Let us have a look at the stats on that one. In reality, there are more than one million Australians with private health insurance who live in households with an annual income of less than $26,000 per annum, and 27 per cent of the overall hospital insured population—or 2.24 million Australians—live in households where gross annual income is less than $48,049. So it is not just for the rich and wealthy. In fact, the figures show the opposite. This is going to hurt the less well off, the disadvantaged and those on low incomes. The government has tried to score some cheap political points by raising the surcharge threshold, and it is these low- and middle-income households that will suffer.

The Senate Standing Committee on Economics was informed last month by the ANU’s Professor John Deeble that there would be an increase for families in terms of the premium of about $70. But, of course, the Australian Health Insurance Association
estimate there could be an increase of up to 10 per cent.

These are the consequences. What do the Australian Medical Association say? Why isn’t the government listening to these organisations? They have expressed views; they are credible. The Australian Medical Association said that there will be a huge increase in the numbers on the public hospital waiting lists. They have also said that they have appealed for some sort of compensation for low-income families and people who are disadvantaged and struggling to make ends meet.

The Senate economics committee has had inquiries around the country and has discovered that single, young, healthy people will be the first to leave private health insurance. However, families and pensioners are soon likely to follow as they fail to be able to meet the rising costs from petrol prices, grocery prices and making ends meet across the board. So, despite the estimated additional strain on the public health system, the Labor government is yet to announce any additional funding to assist with the increased burden on the public hospital system. Isn’t that interesting? They know the facts—they are faced with them—but they are refusing to acknowledge or respond to them.

In conclusion, you can thank the coalition for the system that we have, the success of the private health insurance premium and the balance that is struck between public and private health in this country, and you can be assured that federal Labor are ideologically antagonistic to private health insurance. It is disappointing that they are doing this. That really is the underpinning behind this initiative that they want to foist on the Australian people, which will be bad for public hospitals, lengthen the waiting list, put upward pressure on private health insurance premiums and be particularly disadvantageous to Tasmania.

Senator FIFIELD (Victoria) (1.06 pm)—On the front page of the Herald Sun of Tuesday last week was a heart-rending story that goes directly to the debate on this Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008. The front page featured the story of six children and was emblazoned with the headline ‘Save us’. But it was the subheading that let the reader know about the threat from which these children were seeking salvation. The subheading on the Herald Sun front page tells all. It proclaims: ‘400 children forced to wait for heart surgery’. These boys and girls are threatened by an overcrowded public hospital system without enough paediatric intensive care beds to accommodate those in need. The Herald Sun tells of eight-month-old Lincoln whose arteries are too small but who has suffered seven cancellations of his surgery over the past 30 days or so. Then there is eight-year-old Kevin, who has languished on a waiting list for over a year with an opening in his heart, and 10-month-old Julian, who also has an opening in his heart as well as a narrowed artery.

These stories are merely part of a microcosm in a public healthcare system that is in crisis throughout Australia. Our public hospitals in particular are overworked, overburdened and overstressed. I know this firsthand in my own state of Victoria, where last year 70,000 patients waited eight hours or more on emergency room trolleys before admission to beds and where 40,000 sick and injured people are trapped for months and even years in a medical maze of surgical waiting lists while they wait for proper treatment. There is an old saying which proclaims ‘When you’re in a hole, stop digging’, and there is now no doubt that Australia’s public hospitals are in it up to their eyebrows. But, rather than fill in that hole, the Labor gov-
ernment has set to work with a policy steam shovel that promises to bury public health care and many of its patients. The government’s proposal to raise the Medicare levy surcharge threshold is pure madness. It is a scheme that is illogical; it is a scheme that is irrational; it is a scheme that makes absolutely no sense; it is a scheme that is opposed by NGOs ranging from the Australian Medical Association to Catholic Health Australia; it is a scheme that reflects an economic illiteracy that can only be found in a government dominated by former trade unionists and, as we have seen over the past week or so, that is a domination which is only increasing.

To be fair, though, the Medicare levy surcharge threshold initiative is not a measure that the Treasurer has sought to surreptitiously and quietly slip into some other bill in the hope that it will pass unnoticed; he is bandying around the Medicare levy surcharge threshold increase as if it were a badge of honour, rather than a public policy train wreck. It is all supposedly part of Labor’s plan to ease the cost of living pressures, as Mr Swan declared in a recent media release. But instead of delivering for working families, as the Treasurer claims, he will actually be delivering a body blow to an area in which public health is very much ailing. The bill proposes an increase in the MLS threshold from $50,000 to $100,000 per annum for individuals, and from $100,000 to $150,000 for families. So in one fell swoop many Australians will be able to drop private health insurance without suffering any penalty. In one fell swoop the financial incentive to acquire private health cover will no longer apply to thousands of Australian families.

The Treasury’s own modelling predicts that 485,000 people will cancel their private health insurance as a result of the Treasurer’s proposal, but this figure does not include children or dependants, and the industry estimates put the real number of people dropping out of cover at closer to 900,000. What will be the result of this massive shift? What will happen to health insurance companies that suddenly begin to haemorrhage policyholders by the hundreds of thousands? Sharp increases in premium prices to offset lost revenue will be the mandate of those firms in order to survive.

This Labor measure should come as no surprise. Labor have always been opposed to the private health system. They have always failed to understand that Australia’s health needs are best catered for in an environment of choice between a strong public health system and a strong private health system. We know, for instance, that Labor have long wanted to axe the private health insurance rebate. They promised at the last election that they would not tinker with the private health insurance rebate. I guess, technically, Labor have honoured that commitment. Instead, Labor have found a sneaky new way of attacking the rebate—not by axing it, not by tinkering with it but by creating a situation whereby far fewer individuals will be eligible to claim it. Australia’s private health system and those families who rely upon it will become the real collateral damage for the next salvo of Labor’s class war and envy politics.

Let me now turn to the impacts of premium increases. From day one, the government has been talking up inflation in the economy. We had the Treasurer saying that the inflation genie was out of the bottle. Of course there is an inflation challenge—there is always an inflation challenge; part of the job of being a government is to deal with the challenge of inflation—but there is no crisis, and the Reserve Bank Governor has confirmed that. However, if the government is concerned about inflation, why is it taking so many decisions that will actually increase
prices? The government’s raft of new tax slugs and the completely discredited Fuelwatch scheme will all contribute to higher fuel prices. And this bill will result in higher private health insurance premiums, and this will exacerbate inflationary pressures in the economy.

Labor’s response is to accuse the coalition of siding with the private health insurance industry. Labor seek to portray the coalition as siding with big business whilst Labor play the role of supposedly the people’s champion. Sadly, it is yet more spin. If Labor want to know who the coalition are standing up for, I am happy to help them. We are standing up for the millions of Australians with private health insurance who face massive hikes in their premiums; we are standing up for the hundreds of Australians working for private health funds whose jobs are at risk; we are standing up for the dedicated doctors, nurses and staff of our public hospitals, who are already under extreme pressure and overworked but who face an even bigger workload with these proposed changes; and we are standing up for all those Australians who rely on our public health system, who after years of neglect by state Labor governments face even longer waiting lists for vital procedures and surgery. So how will our public hospitals cope with this massive influx of new patients who have left private health care for the public system? The answer is: they will not cope—at least not very well. The answer is: longer waiting lists, and longer lists translate into longer patient suffering.

Public hospitals in New South Wales are already burdened with surgical treatment queues that total 59,000 patients, and yet the Treasurer’s scheme will bring another 140,000 people into the state’s public hospital system. For some patients this influx will prove almost a death warrant. AMA President, Dr Rosanna Capolingua, predicted that Labor’s MLS threshold scheme will have a ‘cascade effect’ with far-reaching consequences, and none of those consequences will be positive.

It is said that the definition of insanity is to try the same thing over and over while expecting a different result. But the Treasurer has taken that principle one step further. Not only is he doing nothing to address the existing waiting-list crisis that plagues Australia’s public health systems but he is consciously taking action that will make it worse. It is nothing more than a massive exercise in robbing Peter to pay Paul. It is designed to purchase a cheap headline by putting a few extra dollars in people’s pockets at the cost of wreaking havoc on a public healthcare system that is already creaking under the existing strain.

But there is an extra sweetener for the government in pursuing this measure. It is revealed in the Treasurer’s press release of 13 May 2008, which said:
The overall impact on the Budget— he boasts—is a net saving in excess of $299 million over the next four years.

So there you have it. It is just about the bottom line—just like the alcopops tax grab, just like the condensate tax hike and just like
the luxury car tax hike. This is nothing more than a revenue enhancement scheme thinly camouflaged as a measure for the public good.

So we on this side of the chamber will heed that cry for help from those six young children, as reported on the front page of the Herald Sun. We will stand up for a health system with both a strong private sector and a strong public sector. We will stand up for Australians struggling under cost-of-living pressures, who hardly need an increase in their health insurance premiums on top of their other challenges. And we will stand up for the men and women working in our public hospitals, who do not need the added pressure of hundreds of thousands of extra patients streaming through their doors to add an even more extreme workload.

We will oppose this cynical measure that seeks to reap a bit of short-term gain at the expense of massive long-term pain. This is the type of legislation you get when you have a government that is obsessed with spin and devoid of substance, and it deserves to be defeated.

Senators will also talk about a hospital. It is a pretty new hospital; it was opened in the last 10 years. It is in the city where I have my office, Townsville. There was an old hospital that had been there for decades, but it was determined to be inappropriate and a new hospital was needed. So the Queensland Labor government decided to build a new hospital. That announcement was greeted with wild applause by anyone who has anything to do with the hospital system in Townsville. Admittedly, it was out in one of the newer suburbs, quite a long way from the old hospital, but, still, it was on a greenfields site and it was going to be the hospital that everyone would look at as a precedent.

Unfortunately, the Queensland government, in building this shiny, brand new hospital, decided in its wisdom to put fewer beds in it than were in the old hospital it replaced. So right from the start, a city that has expanded very considerably in the last few years—a city with a rapidly increasing population base that continues to expand as part of the migration from southern states to not only south-east Queensland but to Mackay, Townsville and Cairns as well—has a brand new hospital but, regrettably, with fewer beds than the old one.

This hospital is staffed by some magnificent doctors and very caring and qualified nurses and support staff, who all do a fabulous job. I think that applies to hospital staff everywhere in Australia. We really do owe them a debt of gratitude. But they are being pushed almost to extinction by the conditions under which they currently work. At 3 pm on 26 August just passed, there were 24 people at Townsville hospital who could not get a bed because of overcrowding—that is 24 people who should have been in a hospital bed but were sitting around the hospital because they could not get a bed. At 10 am on the same day there were 18 patients in the emergency department waiting for an inpatient bed.

When the poor harassed staff at the Townsville hospital were asked what they were doing about it and why this could possibly happen, they said that—and this came as news to me, I have to say, because I live in Ayr, about an hour south of Townsville—usually when they get very busy at the Townsville hospital they transfer patients from Townsville to the Ayr hospital, 90 kilometres to the south, where they are parked while they deal with the overcrowding in Townsville. They were also doing that...
in Ingham, which is about 100 kilometres north of Townsville. So, if you were an in-patient at the Townsville hospital and it was overcrowded, they would ship you off an hour in each direction or an hour to the west out to Charters Towers so that they could deal with emergency cases in Townsville.

That was just one instance at Townsville, but it is repeated time and time again. The number of stories that come up from people who at the present time simply cannot get beds in the Townsville public hospital is enormous. A Magnetic Island doctor who had been ill and needed treatment at Townsville was reported by the Townsville Bulletin as saying that waiting for a bed in the overcrowded Townsville hospital was like ‘torture’ and she had had ‘first-hand experience’ of it. Sometimes you say that patients are a bit ungrateful and complain at the earliest opportunity, but here is a GP who was herself unable to get a bed.

In Townsville we have had the first reported case of ramping. I do not know if you know what ramping is, Madam Acting Deputy President. It is when the ambulance comes along to discharge a patient to hospital and if there is nowhere to put the patient they just park the ambulance out the front of the hospital and leave the patient in the ambulance. That happened for a number of hours and is happening, regrettably, more and more as time goes on. I do give credit to the Townsville Bulletin here because they have been running a magnificent campaign to highlight the inadequacies of the Townsville Hospital system.

Townsville regrettably is not on its own. The Queensland government announced that it was going to sell the Mackay airport. Why: because they wanted some money to build a new hospital in Mackay. It seems a strange way to fund a new hospital. But, lo and behold, when the detail came out it was a smaller hospital than the existing hospital. For senators who are not aware, Mackay is one of the fastest-growing communities in Australia at the present time on the back of the coal boom, tourism, sugar and beef cattle. It is a very diverse economy and huge numbers of people are coming into Mackay. What do they do? We get a new hospital but it is smaller and the overcrowding will continue yet again.

In Cairns the debate goes on about a new hospital. There are suggestions that they are going to sell the Cairns airport to get a new hospital for Cairns. Cairns Hospital is already overcrowded and one can only assume that on past record the Queensland government will make the new Cairns Hospital much smaller. It does not stop in the north of our state. In the fastest-growing locality in Queensland, south-east Queensland, the Royal Brisbane Hospital and Women’s Hospital have magnificent reputations going back over many, many decades. It was reported in the Courier-Mail on 29 August that ‘the emergency department was in “gridlock” yesterday’—so that would have been 28 August—and the hospital administrators had to ‘redirect ambulances to other facilities for more than two hours.’ People should have been at the Royal Brisbane Hospital or the Women’s Hospital but were directed elsewhere. It goes on:

22 patients were sitting in chairs in an overcrowded corridor. Some had been waiting more than 24 hours to be admitted, with no guarantee when a bed would become available.

There are reports every day in the Queensland papers. An elderly female patient with a heart condition has reported to a newspaper that she had to spend 48 hours waiting on a trolley in a hospital in North Queensland. The report goes on to say she was among 20 others queued in the corridor waiting to be transferred to a makeshift ward.
I raise these issues, not because they are new—they have been very well reported—but to come back to the bill before us at the present time. In Queensland—and I assume it is the same elsewhere but it may not be and if it is not, good luck to the other states—the Labor government is simply incapable of administering the hospital system. Enormous amounts of money have been shoveled into Queensland by the federal government over recent years to get them into a state where they can do something. I am told that there are almost more health bureaucrats than there are beds in Queensland at the present time.

Into this situation along comes Mr Rudd—a Queenslander no less—and Mr Swan—also, I say ashamedly, a Queenslander—who bring in this bill. You do not have to be Einstein to work out that if you take people away from private health insurance it means more and more people are going to need the public health system. What is going to happen in Queensland? Currently people with private health insurance can go to the many very, very well-run private hospitals. They do a fantastic job although currently they are pretty well full and have little opportunity to take any overflow from the public hospitals.

This initiative—if I could call it that—of two Queenslanders, Mr Rudd and Mr Swan, is just going to throw—I do not know what the superlative of chaos is—more chaos or super chaos onto the Queensland hospital system. It is groaning because of the problems in the system of getting beds and in the way hospitals are run. Staff are overworked and when staff are continuously overworked in crowded conditions they start looking for other employment in other parts of the country or, indeed, other parts of the world. There will be a snowballing impact on the crisis in Queensland health. Mr Rudd comes along and says, ‘We are going to make that worse for all those that are there now; we are going to add to that list.’

I had hoped that someone from the Labor Party might have been able to explain to me the sense of this. Because of the real fiscal management—not the spun fiscal management that Mr Rudd and Mr Swan talk about—of Australia’s finances by Peter Costello and John Howard, this government was left with a $22 billion surplus. They were also left with a framework that will over the next five years allow them to save—if they do not squander it, as we know Labor governments will do—

Senator Sterle—Why don’t you tell the truth? You are blocking all these measures and being fiscal vandals.

Senator IAN MACDONALD—I am just coming to that. Thank you very much. Over the next five years, because of the economic parameters left to them by the Howard-Costello government, the new government is estimating a surplus of something like $96 billion. That is a curious figure, because that is the exact same amount that the Labor Party left us when we came to government, only it was not a surplus; it was a $96 billion deficit. Over the next five years, because of Peter Costello and John Howard, this lot—this Labor government—will have a $96 billion surplus.

We have got rid of the so-called luxury car tax, thank heavens. On behalf of the people of regional Australia, I thank the Senate for that courageous action. If we can get rid of this stupidity by throwing this out in the Senate, that would be great for all of those people waiting in the corridors in hospitals in Queensland. But if we do that, what is going to be the financial impact that Senator Sterle’s kind interjection reminded me of? It will have an impact of $3 billion, $4 billion or $5 billion over the next five years. So instead of inheriting a $96 billion surplus over
the next five years, the Labor Party—and let me get my handkerchief out—will only have a $91 billion surplus.

I stress again that this is what was left to Labor by the Howard-Costello government: a $96 billion surplus over the next five years. When we took office, due to Labor’s well-known mismanagement, we inherited a $96 billion deficit, one that had to be repaid over the next nine years of the Howard government. Even in the year that we took over—and this was hidden in the pre-election rhetoric by Mr Keating—there was a $10 billion deficit in the annual account. Every year for the first three, four or five years of the Howard government, we had to find $7 billion, $8 billion or $9 billion just to pay off the interest on the debt that Labor left us.

We have the stupidity now of Mr Rudd and Mr Swan saying that they are fiscal conservatives. Talk is very cheap and easy. Spin is particularly easy for the Labor Party. They have become masters of the spin. But look at the reality. Have a look at Mr Whitlam’s government and see what happened there. They just about broke the country in three or four short years. Have a look at the Hawke and Keating government. They left a $96 billion deficit. You simply cannot trust Labor with money. Have a look all the state governments at the present time. They are all, regrettably, Labor state governments. Look at their big spends.

**Senator Polley**—Are you going to talk about Menzies? He squandered our future.

**Senator IAN MACDONALD**—Senator Polley, you have been involved with me on a committee looking at state government financial management. And even you have to admit that Labor state governments cannot handle money. They are simply incompetent. And that is the Labor way. You appoint your mates to the bureaucracy and increase wages for fat cats in the Public Service down here. Departmental heads under Labor got a $1,400 a week increase from Mr Rudd, who preached constraint to everyone else but handed to his top public servants $1,400 a week. Why couldn’t that go into some more beds for hospitals in Queensland?

Why didn’t Mr Rudd have a look at his own state and the backyard not far from his electorate or Mr Swan’s electorate? In fact, I think that it might be in Mr Swan’s electorate. The Royal Brisbane Hospital is struggling, with people in corridors. It is not the wards that are overcrowded; it is now the corridors that are overcrowded. What is this bill going to do? It is going to throw more and more people into an already overcrowded system.

I report in sadness and in anger that hospitals in smaller communities throughout Queensland are being shut down by the Labor government. The Aramac hospital in central western Queensland was shut down. Aramac is a lovely little town. It is only a small town, but it is very community minded. Their hospital has been closed by the Queensland Labor government because they have not got the money to keep it going. And that is the story right around the nation.

I despair for hospitals and those patients needing them in Queensland. It is a bad situation now. I started my speech talking about the Townsville General Hospital. Before the last state election, Mr Beattie came to Townsville and made a promise. He said: ‘I know there’s overcrowding in the Townsville General Hospital. I’m going to give you an extra 78 beds.’ Everyone thought: ‘Gee, that’s good. We’ll vote for them.’ And so there are three state Labor members of parliament for Townsville at the moment. Do you know what we got after the campaign by the *Townsville Bulletin* over the last few days? The Queensland government announced that they are going to put in eight
beds next year, a lot short of the 78 beds that Mr Beattie promised before the last election.

Senator Nash—Eight?

Senator IAN MACDONALD—Eight new beds for a hospital that has its corridors bursting with people. This bill will only make that critical situation in Queensland worse. I would certainly urge all senators to oppose this bill to at least give the Queensland health system a bit of a chance of recovering rather than throwing additional patients into an already grossly overcrowded system.

Senator POLLEY (Tasmania) (1.37 pm)—I do not know where to start to respond to those comments. To say the least I think that there is a little bit of selective memory on the senator’s part. I rise today to speak in favour of the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008. Firstly, I would like to begin by thanking all those senators who have made a contribution in support of this legislation and those who will follow me. This is an important measure and I hope that the bill is passed so that low-income earners are no longer hit with this surcharge.

This bill will increase the Medicare levy low-income thresholds for individuals and families in line with increases in the consumer price index. The bill will also increase the Medicare levy threshold for pensioners below age pension age to ensure that, where these pensioners do not have an income tax liability, they will also not have a Medicare levy liability. This is another example of the Rudd Labor government doing the right thing by working families. We are taking the pressure off families and their budgets. We are taking our tax cuts and our education support measures and like axing Work Choices, will help working families. Essentially, as a result of this change, many individuals will be up to $1,000 a year better off and couples will be up to $1,500 per year better off.

The thousands of Australians without private health insurance who are being hit with this unfair tax will receive immediate tax relief. This bill is a good policy and it is keeping the commitment that Labor made prior to the election. Unlike the Liberal coalition, the Labor Party keep their election promises. We do not try to fool the Australian people with core and non-core promises. This measure provides real choice for families. Taxpayers on low incomes will be able to choose whether to take out private health insurance or whether to use that money in another area of their budget. Those on the Liberal coalition benches are threatening to block this bill. Why? Their only objective is to score cheap political points. This readjustment is something that is long overdue, something that the previous government should have done a long time ago but did not.

When the Medicare levy surcharge was introduced the policy was targeted at high-income earners. The Medicare levy surcharge thresholds have not been increased since the surcharge was introduced on 1 July 1997. The fact is: since 1 July 1997 average weekly earnings have increased significantly so now many people are being unfairly hit with this tax. Around eight per cent of single taxpayers are estimated to have exceeded the Medicare levy surcharge threshold when the surcharge was introduced. If the thresholds remained unchanged, by 2011-12, 45 per cent, or more than two million single taxpayers, would be subject to the surcharge.

With the new thresholds, around 8.5 per cent of single taxpayers are projected to exceed the new singles threshold at the end of the budget forward estimates. The member for Corangamite, Darren Cheeseman, commented on this bill earlier this year—and I
will use what he said because I think it reflects the state of the Liberal Party and its current situation. He said:

The threshold has been frozen for a decade. When most other similar measures have been adjusted for changing circumstances, time has stood still on this one. In a way, it has mimicked the Liberals. It has moved about as far as Peter Costello’s leadership bid, and that is nowhere. The only difference is that this has not been frozen by fear; it has been frozen because of Liberal policy paralysis.

The Rudd Labor government is committed to ensuring Australia’s healthcare system remains accessible and sustainable into the future. We support a mixed-use health system with both the public and private sectors working in tandem to meet the health needs of the community.

The reason why we have increased the Medicare levy surcharge thresholds is to get rid of an unfair tax on average income earners. When the surcharge was introduced by the previous government the then health minister, Michael Wooldridge, said:

High income earners will be asked to pay a Medicare Levy surcharge if they do not have private health insurance. These are the people who can afford to purchase health Insurance.

The Rudd Labor government shares that view, and that is why we have raised the thresholds to give relief to average earners who are now being forced to pay the tax.

Three things undermine the false argument that this measure will put unmanageable pressure on our public hospital system. Firstly, a number of people with private health insurance are young, healthy people who do not draw on the private health system and, similarly, they will not draw on the public system. Those opposite want to use healthy young Australians as cash cows.

Secondly, scores of people with private health insurance already use the public system. Thirdly, and perhaps most importantly, the government is injecting significant resources into our public hospitals, after years of disinvestment.

Opposition senators interjecting—

Senator POLLEY—Our predecessors, those opposite, can laugh and interject but they know very well that they failed to support our hospitals. Waiting lists soared, investment in staff and training was way below the market. After 11½ years of Liberal coalition and the neglect that was demonstrated by the Howard-Costello leadership, $1 billion was slashed from public hospitals in 2003—something that they seem to want to forget. This is a disgrace. The new Rudd government understands that there is much to be done to fix the problems that those opposite created. The Rudd Labor government has identified the significant inefficiencies in our health system and Labor has committed to a reform process which will deliver much needed relief to our public hospitals. We want to make sure families can get the health care they need, when they need it. It is a big challenge but one we are committed to. While it will take time to turn around a decade of neglect, the Rudd government is determined to deliver dramatic improvements in health care. The Rudd Labor government has invested $1.6 billion in the public hospital system, $1 billion for hospitals this financial year and $600 million to cut elective surgery waiting lists.

We have a plan to fix the health system problems that the previous government created and ignored. Essentially what this bill seeks to do is bring equity back into the system. This is an important bill. Ultimately, it is a bill that demonstrates the Rudd Labor government’s commitment to providing relief to working families, particularly low- and middle-income earners. This measure is a fundamental cornerstone of the Swan Labor budget.
The opposition have indicated they will not support the bill. I feel it would very irresponsible for them to move to block this budget measure, but what else can we expect? It is what we have come to expect from the opposition. They cannot be trusted. The Australian people know that. They have proven that time and time again, and the Australian people have seen through them. They are political opportunists without any conscience who regularly come into this place espousing that they are the party of choice.

Their opposition to this bill, however, is a clear example of how they are failing the test. They are not supporting working Australian families. Senators are being given an opportunity today to provide choice to working families and to those on low incomes. I urge senators opposite to support this bill so that we can provide security for those who need it most. The government is working hard for all Australians and will continue to do so. It is a responsible government, a government that genuinely cares about families, and that is why I ask senators to support this bill.

Debate (on motion by Senator Stephens) adjourned.

Sitting suspended from 1.46 pm to 2.00 pm

QUESTIONS WITHOUT NOTICE

Pensions and Allowances

Senator BOSWELL (2.00 pm)—My question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Evans. If the government are so keen to help pensioners, why are they reducing benefits to 17,000 individuals in receipt of pension and allowance payments from July 2009 under changes to income definitions used to assess entitlements?

Senator CHRIS EVANS—I thank Senator Boswell for his question. As I have indicated to him on a number of occasions, there were a range of budget measures that went to some of the arrangements regarding some of the entitlements to do with pensioner health cards and other entitlements that were seen as tightening up on the incomes test and other measures that were designed to give the system more integrity and to make sure it was targeted at those in need. But the budget also included very large increases in payments to pensioners and extended the utilities allowance and other measures to a broader range of pensioners and carers. We actually increased the utilities allowance from just over $100 to $500 per annum, and I understand that the next instalment of that greatly increased allowance will be going out this month as part of a quarterly payment.

So the budget contained a range of significant measures that improved income to pensioners and carers. But, as the senator knows, in addition to those very serious and sizeable initiatives to better help pensioners and carers—people who are on fixed incomes and who are doing it tough in times when inflation has been at levels way beyond what we would consider acceptable—we also made a number of measures that sought to tighten eligibility and make sure that benefits were going to those most in need and that they were targeted in the same way that the previous government had sought to target benefits for those most in need. As I say, there were a number of changes in relation to Commonwealth senior health card eligibility and a couple of other measures that looked to better target those benefits.

As with any measure such as that, it is true that, when you target a measure to those who you decide are in need, there are others who miss out, either as a result of the measure or because they are missing out already. That is a fact. We accept that a couple of those
measures have had that impact—that some people who were previously entitled are no longer entitled and some people who would like to be entitled are not. But successive governments on both sides of politics have looked to target welfare benefits and concessions to those most in need. That is, I think, responsible public policy, and it is certainly a policy that this government continues to support. The alternative is to say that these measures should be directed to everyone, that we have a bottomless pit of funds and we can direct them to everyone. Clearly that is not feasible. What you have to do is make decisions about who is in greatest need and who to target payments to. The previous government made a number of decisions and, as Senator Boswell knows, the one that most affected people was a measure introduced by the previous government the year before. But the budget contains significant improvements in payments to pensioners and extended a range of allowances to carers and others who were not previously included. The utilities allowance is the best example of that, where the rate moved from just over $100 to $500 a year. I think that was a significant down payment on what is a serious problem, and that is the fact that pensioners are doing it tough and that we need to try to address greater support for pensioners. We have made that a strong focus of the taxation review. (Time expired)

Senator BOSWELL—Mr President, I ask a supplementary question. When will the government advise the 74,400 families receiving family tax benefit and the 18,800 families receiving childcare benefit that they will receive reduced benefits from July 2009?

Senator CHRIS EVANS—I thank Senator Boswell for his supplementary question. I will take on notice the question of when advice is provided to the groups you referred to, although I would remind you that, in terms of childcare benefit, the budget also provided significant increases in benefits to families in the childcare area by moving the rebate from a rate of 30 per cent to 50 per cent. So, when you talk of advice to those who are missing out, I am not quite sure that I understood the question but I probably did not hear it properly. But, in terms of the advice you sought, I will take it on notice and get you an answer as soon as I can.

Taxation

Senator FORSHAW (2.05 pm)—My question is to Senator Evans, the Minister representing the Prime Minister. I ask: will the minister update the Senate on progress of the government’s luxury car tax measure and the implications for the budget surplus?

Senator CHRIS EVANS—I thank Senator Forshaw for the question. As government senators would be aware, we are in a time of very uncertain economic conditions. The shocks to the global economy have, I think, created doubts about the future economically. It is a time when we certainly need steady and responsible financial management. Certainly this government sought to provide that leadership and that fiscal responsibility in its budget in May and, as part of that, the government sought to have a surplus of $22 billion, a significant surplus which was designed to buffer the Australian economy against those international factors and to ensure our capacity to fight inflation and put downward pressure on interest rates. We regard it as our main priority to assist Australian families by fighting inflation, trying to overcome the Liberal legacy of high inflation, and trying to overcome the Liberal legacy of 10 interest rate rises in a row.

The budget surplus is designed to assist Australian pensioners and Australian families in fighting inflation, which so corrodes their purchasing power and so corrodes their standard of living. It was a strategy which
was widely endorsed in economic circles. They said it was a responsible budget because it provided the sort of buffer and security that was necessary for the economy.

Mr President, as you are aware, this morning, after last night’s debacle where the opposition could not successfully vandalise—

Opposition senators interjecting—

Senator CHRIS EVANS—They set out to be vandals and they could not even do that properly. I thought at least they were good at destruction but, no, they could not even do that properly. The Senate on the second reading defeated the luxury car tax bill, as is its right. It was defeated on the second reading, unfortunately, before there was any detailed debate, before senators could move amendments and before there was any real consideration of the bill.

That was a decision the Senate took this morning. Unfortunately, it knocks a half a billion dollar hole in the government surplus—half a billion dollars we do not have any longer—that undermines the capacity of this government to fight inflation and to bring downward pressure on interest rates. The surplus that was designed to help Australian families by fighting inflation by putting downward pressure on interest rates has been fundamentally undermined by the decision to defeat the luxury car tax and knock a half a billion dollar hole in the budget.

I want to make it clear: the government is not giving up the fight to defend this budget and we are not giving up the fight to have the luxury car tax bill carried by this parliament. Next week we will reintroduce the bill—

Senator Minchin—Next week is not a sitting week.

Senator CHRIS EVANS—Next sitting week we will attempt again to get the Liberals to become responsible and to say the needs of Australian families are more important than those of the purchasers of luxury cars.

Opposition senators interjecting—

Senator CHRIS EVANS—We ask all senators to put Australian families first. Put families first!

Senator Heffernan—Mr President, on a point of order: can he stop yelling? Farmers do not consider four-wheel drives luxury vehicles, and that is why the government failed.

The PRESIDENT—There is no point of order. Senator Evans, you have 14 seconds left.

Senator CHRIS EVANS—Put Australian families and pensioners first rather than putting luxury car owners first.

Opposition senators interjecting—

The PRESIDENT—I draw the attention of senators on my left to the fact that Senator Parry is waiting for the call.

Fuel Prices

Senator PARRY (2.11 pm)—My question is to the Minister representing the Treasurer. Will the government heed the calls to reduce the petrol excise?

Senator CONROY—Every economy in the world is facing tough economic conditions. The global economy is going through a very difficult time.

Senator Ronaldson—You said that yesterday.

Senator Ian Macdonald—This record is stuck!

Senator CONROY—It needs to be repeated because those opposite just seem to have completely lost touch with economic reality. The global credit crunch and global oil price shock have buffeted confidence in share markets around the world and are slowing global growth.
Senator Ian Macdonald—This is yesterday’s answer.

Senator Sherry—Get used to it, Ian.

Senator CONROY—Get used to it, absolutely, because every day that you want to behave economically irresponsibly by blocking budget measures you are going to get a lecture from this side about responsible economic management, whether you like it or not.

Senator Ian Macdonald—Mr President, on a point of order: could you draw to Senator Conroy’s attention to the standing order that requires him to deliver his answer through you and not lecture us with a finger-pointing ‘you, you, you’?

The PRESIDENT—On the point of order, Senator Conroy, I direct you to the fact that you should address your comments to the chair.

Senator CONROY—Thank you, Mr President. I accept the point of order. The global credit crunch has pushed up borrowing costs for households and businesses around the world. Global share markets have fallen by an average of around 20 per cent in developed economies since the global turmoil began and consumer confidence across the OECD economies has fallen to its lowest point in almost 30 years. Not surprisingly, these global difficulties are slowing growth across advanced economies.

We recently learnt that the UK economy did not grow at all in the three months to June, while Japan, Germany, France, Italy and Canada have all recorded negative growth in the most recently reported quarters. Japan’s economy contracted by 0.6 per cent, Germany contracted by 0.5 per cent, France contracted by 0.3 per cent, Italy contracted by 0.3 per cent and Canada, in its March quarter, contracted by 0.1 per cent. Australia, as I have said repeatedly, is not immune to these global—

Senator Parry—Mr President, I have a point of order on the issue of relevance. The question could not have been shorter or more simple. Will the government heed the calls for the reduction in the excise?

The PRESIDENT—Senator Parry, as you are aware, I cannot direct a minister answering a question in question time how to specifically answer, but I can draw the minister’s attention to the relevance of the answer that is being given. Minister, you have one minute 37 in which to respond to the question.

Senator CONROY—Yet again, those opposite have decided we can just fritter away the budget surplus—just give out another concession, just fritter it away as if it did not make any difference to the economic circumstances that families in this country face. What families in this country need is responsible economic management delivered by its central government. It does not need cheap political point-scoring from a Senate that seems to be committed to obstruction and blowing a $6 billion hole in the budget. To those who continue to argue that we can just lose that $6 billion—and apparently there is another chunk of money that should be just frittered away out of the surplus, evolving out of that question: just give it all away; it won’t matter—there is a reason—

Senator Ferguson—Mr President, I raise a point of order. It is true that you cannot direct a minister how to answer a question. It is also true that there is a point in the standing orders about relevance. Mr President, I put it to you that in this answer the minister is not being relevant in any way to the question that was put to him.

The PRESIDENT—Senator Ferguson, on the point of order: if I heard the minister’s answer correctly, and I believe I did, in just the last 30 seconds of his answer he did refer to the question that was put to him. But I
draw the minister’s attention to the question and to being relevant to the question that was asked.

Senator CONROY—Thank you, Mr President. As you correctly pointed out, I was very specifically discussing the consequences of doing what the question suggested. I was very specifically referring to the policy proposal that was being advanced by those opposite, because once again it shows that this opposition and some others in this chamber have lost touch with economic reality. What Australian families need is for pressure to bear down on inflation so that there is pressure to bear down on interest rates, so that their mortgages will be reduced after 10 consecutive interest rate rises, because those opposite chose to ignore—(Time expired)

Senator PARRY—Mr President, I ask a supplementary question. In light of the minister’s answer, is Tasmanian Labor Premier David Bartlett’s call for the adoption of the coalition’s policy also economically irresponsible? And will you send a copy of today’s Hansard with your answer in it to the Tasmanian Premier?

Senator CONROY—For those who want to enter this debate, the message is the same: the federal government is committed to delivering its $22 billion surplus, because it is that surplus that is combined to add pressure in the fight against inflation—something that those on the other side ran up the white flag about. They gave up before the last election. They were engaged in nothing more than pork-barrelling at every opportunity. That is why they were the highest taxing, highest spending government in 30 years—with nowhere to run, nowhere to hide. They lost the economic plot. This government will continue to stand for sound and responsible financial economic management. We will not be diverted—(Time expired)

Murray-Darling Basin

Senator SIEWERT (2.19 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. My question concerns progress on the intergovernmental agreement on the Murray-Darling Basin reform and the referral of powers by states and territories required to give effect to the agreement and to establish a basin plan. Can the minister inform the Senate how many of the states and territories of the Murray-Darling Basin have passed this enabling legislation? How many have even drafted and introduced such legislation in time to meet the 1 November 2008 deadline, as committed to in the IGA? Will any states or territories be able to meet this deadline and will the promised reforms of the intergovernmental agreement be in place by 1 November 2008?

Senator WONG—Firstly, in relation to the IGA, as the Senate would be aware, first ministers signed an intergovernmental agreement on 3 July at the COAG meeting in relation to the Murray-Darling Basin to implement the reforms necessary to meet the current needs of the basin and to protect and enhance its social, environmental and economic values in the long term. I think it is worth reminding the Senate of some of the important things that the IGA puts in place. For the first time it brings together under one body the management of the Murray-Darling Basin through the Murray-Darling Basin Authority, and I have already appointed a South Australian, Mr Rob Freeman, to head that up. Of course, the authority will, for the first time, create a basin-wide plan and a basin-wide cap, with the Commonwealth minister having sign-off.

This is a complex reform. It is a reform that, senators will recall, the former government and the former minister promised and were never able to deliver. We are working
through the detail of the implementation of the IGA with the states. In the intergovernmental agreement, it was agreed that the states, the territory and the Commonwealth would use their best endeavours to enable new legislative arrangements to commence on 1 November. We continue to work through the detail of that with the state governments. Senator, I know your party and other senators in the chamber have made some comments in relation to the legislative arrangements governing the Murray-Darling Basin, and they have asked what the constitutional powers and so forth are.

I want to make this point: I invite the Greens and the crossbenches to consider the advice that was provided to the Senate committee and the clearly difficult situation that exists in the basin. I remind the Senate that the primary issue we are confronting in the Murray-Darling Basin, particularly in the southern Murray, is record low inflows. The head of the Murray-Darling Basin Commission, Wendy Craik, said that we continue to set records we do not wish we were setting. None of the issues around constitutional power and legislative authority deal with or address the primary problem, which is this: we simply do not have enough water at the moment to do everything we need to.

Senator Bob Brown—I rise on a point of order. The minister is inviting the crossbench to look at a report, but I would, through you, invite her to look at the question, which is about how many relevant governments have signed up to the agreement.

The President—I draw the attention of the minister to the question.

Senator Wong—All relevant jurisdictions signed up to the intergovernmental agreement. That was what was announced at COAG on 3 July. What is being worked through is the ways in which we have to give legislative effect to that. That involves, I am advised—and this is outlined in the IGA schedule A—a revised Murray-Darling Basin agreement, which will need to be included as a schedule to the Water Act, amendments to the Water Act, which include provisions enabling referral of state powers, basin state referral bills and a referral intergovernmental agreement. So we are working through those. We will continue to use our best endeavours to meet the 1 November date that first ministers indicated. Obviously, we continue to work through that. There has been a number of meetings at officer level in relation to this issue, and we will continue to engage through that process.

Senator Siewert—Mr President, I ask a supplementary question. I can assume from that answer that no states have drafted any legislation to introduce these reforms. In light of the lack of, or the hold-up in, whole-of-basin reforms, could the minister inform the Senate as to how many irrigation districts, areas—whichever name the various states use—are approaching the four per cent threshold cap on permanent trade out of their irrigation area, and could she name these, please?

Senator Wong—I do not have the detailed information of which catchments are approaching the four per cent in front of me.

Senator Abetz—They should be front of mind.

Senator Wong—It is interesting I get interjections from the opposition. This is a party that never wanted to buy water now complaining about a four per cent cap, which you actually support. Which is your position, Senator Abetz—through you, Mr President?

I just want to make one comment in response to the supplementary question. In relation to state legislation, obviously that is an issue for the states in terms of where they are up to in their drafting. What we are doing is working with them through the process to
deliver an agreement those on the other side were never able to deliver, because they were a party that did not believe in working with the states to deliver a whole-of-basin reform.

(Time expired)

Primary School Standards in Western Australia

Senator CASH (2.25 pm)—My question is to the Minister representing the Minister for Education, Senator Carr. Given that the National report on schooling in Australia ranks Western Australian primary school children among the worst in reading, writing and maths, does the minister agree that the standards being achieved in Western Australia are unacceptable?

Senator CARR—I thank Senator Cash for her question. I do not accept the proposition that the senator has advanced today. The simple facts of life are that the Rudd Labor government has been working in partnership with the Carpenter government to deliver an education revolution for Western Australians. The Australian government is working with the Western Australian government to deliver world-class school facilities for 350,000 students studying in both government and non-government schools. The Rudd Labor government has committed $284 million over the next decade to build state-of-the-art trade training centres to service Western Australia’s 335 secondary schools. Fifteen Western Australian schools are amongst the 96 schools nationally who have successfully obtained trade training centre funding in the first round of the program.

Senator Abetz—Mr President, on a point of order: you cannot direct a minister how to answer a question, but you do have the power to require the minister to sit down or provide some relevance to the issue.

Senator Conroy interjecting—

Senator Abetz—Talking about trade training schools is all very interesting, but completely and utterly irrelevant to the issue of primary schools, and that is what the minister was asked about. If you were, Mr President, to take up Senator Conroy’s interjection that it is about education, we could have the ridiculous situation of a specific question on primary schools being asked and the minister being allowed to answer in relation to universities. Clearly there must be some relevance to the answer, and I would invite you to direct the minister’s attention to the question.

Senator Ludwig—On the point of order, Mr President: Senator Abetz again in question time uses the point of order to express a view about the minister answering the question. The minister is answering the question; the minister is relevant to the question. What Senator Abetz then chooses to do is to go on a wide-ranging discourse over issues that he wants to canvass and use the point of order to do that. I think it is impermissible for Senator Abetz to use the point of order in that way, although it has been used, obviously, by him in this way this week. But in this instance I would humbly submit there is no point of order.

The PRESIDENT—You should not be debating it, Senator Ludwig. I remind all those who take points of order that they are entitled to take a point of order but not to debate the issue at large. That applies to you, Senator Abetz, as much as it applies to Senator Ludwig and others in this chamber. In response to the point of order that Senator Abetz has raised, I would draw the minister’s attention to the question and ask him to address the question now in the two minutes and 41 seconds left.

Senator CARR—I was asked a question that went to the issue of educational standards in Western Australia. I was asked a question about the success, as I read it, of the Rudd Labor government in working with the
Carpenter government to deliver an education revolution for the people of Western Australia. It is disappointing that Senator Abetz has so little understanding of these issues that he finds he has to raise these spurious points of order. If the senators would be interested to know what the government’s position is on national testing, I am only too happy to provide them with further advice.

If you want to talk about the fundamentals—the fundamentals of ensuring equality of opportunity for all children and the fundamentals of ensuring proper participation in our society—then you must talk about a broader set of issues than just the question of benchmark testing. You must also talk about the opportunities for the breadth of the curriculum which this government is providing. This government is providing these services to the people of Western Australia in partnership with the Labor government of Western Australia. As a consequence, the opportunities that are being developed for children in Western Australia are far superior to anything that was offered through the 12 years of the previous government—a government whose record and whose legacy was one of neglect. And it was a clear case that the Liberal government chose to avoid its responsibilities to ensure that every child in this country had the opportunity to participate fully.

Senator CASH—Mr President, I ask a supplementary question. Is the minister continuing the no-blame game of state and federal Labor or will he acknowledge that the Carpenter government has failed to deliver the education standards that Western Australian children deserve?

Senator CARR—It is a pity that Senator Cash has so little understanding of education, so little understanding of the needs of the people of Western Australia and so little understanding of what actually matters in the paltry attempt to fight the Western Australian election through the Senate. The Australian government is working in partnership with the Western Australian Labor government to deliver world-class school facilities and world-class opportunities for the 350,000 children of Western Australia studying in both government and non-government schools. These are Labor governments—the government here in Canberra and the government in Perth—dedicated to an education revolution, to ensuring that every student has a world-class education. Of course, that is the basis on which we operate. It is a pity that those opposite are so ignorant. (Time expired)

Afghanistan

Senator FEENEY (2.33 pm)—My question is to the Minister representing the Minister for Foreign Affairs, Senator Faulkner. Will the minister update the Senate on the status of those Australian soldiers wounded in Afghanistan on 2 September?

Senator FAULKNER—I thank Senator Feeney for his question. I can inform the Senate that, of the nine soldiers wounded on 2 September, one soldier remains in a very serious condition and that in order for him to get the best possible treatment he has been evacuated for specialist medical treatment at a US military hospital in Germany. I can also report to the Senate that overnight the number of soldiers on the serious list has fallen from five to three. Those three soldiers remain in a serious condition but have been stabilised and remain under care in coalition medical facilities in Afghanistan. The remaining five soldiers are in the hands of those who provide excellent care on base at Tarin Kowt.

The incident that led to these casualties is a reminder to all of us of the danger that is faced by the men and women of the ADF in Afghanistan, where, every day, members of
the Australian Defence Force risk their lives to secure, stabilise and reconstruct Afghanistan. The fact that, in this instance, operations carried on and will continue to carry on is a testament to the resilience of our forces and our commitment to the cause of peace and stability in Afghanistan.

I would also like to acknowledge not only the soldiers of the Special Operations Task Group but also the coalition aeromedical evacuation teams who—as all senators are aware—risk their lives to save others. I also acknowledge the Australian and coalition medical staff who have done such great work to keep this incident from turning into an even greater tragedy. I believe we should keep in mind the fact that every aeromedical evacuation mission puts aircraft and crews at great risk. There is a very great risk in flying in the adverse conditions that exist, certainly under enemy fire, to bring the wounded to safety and to medical care.

I know that all senators are aware that these operations are complex, they are dangerous and, of course, they are conducted in one of the most hostile environments that exist on this earth. The fact that the overwhelming majority of these missions are conducted without any incident is testimony to the courage and professionalism of the Australian Defence Force. Mr President, I can assure the Senate that the Minister for Defence and the government will continue to monitor the progress of our wounded soldiers in Afghanistan. I know that I would speak on behalf of all senators in this chamber in wishing those wounded a speedy and full recovery from those wounds that have been suffered in our service.

Distinguished Visitors

The President—Order! I draw to the attention of honourable senators the presence in the chamber of a parliamentary delegation from Ireland, led by the Hon. John O’Donoghue, Chairman of Dail Eireann in the Irish Parliament. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate. With the concurrence of honourable senators, I propose to invite the Chairman to take a seat on the floor of the Senate.

Honourable senators—Hear, hear!

Questions Without Notice

Health

Senator Colbeck (2.38 pm)—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Is Senator Feeney right or wrong when he said in his first speech:

In health we need to end the scandal of three billion tax dollars a year being handed over to the private insurance industry …

Senator Ludwig—In respect of private health insurance, there are, of course—

An honourable senator interjecting—

Senator Ludwig—That could be one way of covering it. The Commonwealth government believes that a mixed model of balanced private and public health services is integral to the provision of universal access to high-quality, affordable healthcare services for all Australians. A robust health system requires strong public and private sector—

Honourable senators interjecting—

The President—Order! Senator Sterle, I am waiting for order so that Senator Ludwig can be heard.

Senator Ludwig—As I was saying, the government does believe that a mixed model of balanced private and public health services is integral to the provision of universal access to high-quality, affordable healthcare services for all Australians. Private health insurance premiums are community rated so that all people with health insurance pay the same premium for the same product, regard—
less of their age, weight or state of health. This ensures that private health insurance is affordable to all Australians. I am sure the opposition would agree with the government that one of the main aims is to ensure that private health insurance is affordable. Most health insurers are already paying benefits for quit smoking or nicotine replacement programs—in fact, 22 out of 38 insurers—and 20 out of 38 insurers are paying benefits for weight loss and healthy lifestyle programs. The Rudd government is currently looking at health savings accounts. This government is being proactive in this area, unlike the coalition when they were in government for 11 long years.

The government supports a mixed model of balanced private and public health services, but we also support the public hospitals. The Commonwealth government is committed to significant funding to improve our hospital system, unlike the coalition in the 11 long years they were in government. In 2008-09, the government will boost funding under the Australian healthcare agreement to $10.2 billion, because we support a mixed model of private and public health. In addition to our commitments to health and hospitals, the government is also investing up to $600 million to clear elective surgery waiting lists, $780 million for dental health and $275 million for GP superclinics.

Senator Abetz—We know all of this. Is Senator Feeney right or wrong?

Senator LUDWIG—The opposition say that they know all of this. If they knew all of this, why did they not start to do some of this work when they were in government? Because they were not interested in dealing with this issue. They did not want to grapple with the fact that we do need a strong public hospital system and a strong private health insurance industry as well.

The government does support private health insurance. We absolutely support the private health insurance rebate. We have always said that we want to give people incentives to take out private health insurance, not penalise people who cannot afford it. This rebate will be provided by the government to assist policyholders and to ensure that private health insurance remains affordable for all Australians. In 2007-08, this contribution by the government will provide around $3.5 billion in assistance. The government continues to consider ways—

Senator Abetz—Mr President, I rise on a point of order. In the few seconds left, I was wondering whether or not the minister would like to defend Senator Feeney’s statement.

The PRESIDENT—There is no point of order. You have four seconds left, Senator Ludwig.

Senator LUDWIG—As I said, the government continues to consider ways of enhancing the value of private health insurance for consumers. (Time expired)

Senator COLBECK—Mr President, I ask a supplementary question. Given that Senator Ludwig is having such difficulty deciding whether Senator Feeney is right or wrong, can the minister provide a guarantee to the Senate and to the Australian people that the 30 per cent private health insurance rebate—or, in Senator Feeney’s terms, a ‘scandal’ and a ‘handout’—will not be discontinued?

Senator LUDWIG—It is clear that Senator Colbeck has not bothered to listen to my answer. For the benefit of the coalition, and particularly for the benefit of Senator Colbeck, we absolutely support the private health insurance rebate, as we always have and always said we would. We want to give people incentives to take out private health insurance—note: incentives, not penalties. If you were serious about this issue, you would
also ensure that the Medicare surcharge levy measure will be passed. But I do not think you are serious about it at all, quite frankly. The government considers that it is imperative to do these important things, unlike the coalition when they were in office. *(Time expired)*

**Homelessness**

Senator FIELDING (2.45 pm)—My question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Evans. Figures released today by the Australian Bureau of Statistics show that more than 100,000 people are homeless in Australia. The report also found that about 16,000 people are sleeping rough in improvised shelters. Family First is aware that there is a green paper and that a policy process is underway, but the need for action is urgent. Will the minister tell us how many children are missing out on school as a result of homelessness?

Senator Abetz—Good question.

Senator CHRIS EVANS—I thank Senator Fielding for the question and, as Senator Abetz observed, it is a good question. Senator Abetz ought to take some notes on how to ask a good question.

Senator Fielding is right to refer to the ABS report released today, which estimates the number of homeless people in Australia, using data from the 2006 census. It is a very confronting report. It indicates that total homelessness has increased by five per cent from 99,900 in 2001 to 105,000 in 2006—105,000 people who at that stage were classified as homeless. There was also an increase in those sleeping rough from 14,000 in 2001 to 16,300 in 2006.

The Senator referred to young people. The report notes that there has been some decrease in the youth homelessness figure, but it still stands at almost 18,000. These figures are from 2006, but the figures in this report are the most recent ones that we have. We know that these figures reflect the current reality that there are large numbers of people who are homeless and sleeping rough. That is why, upon coming to government, we made homelessness a priority. This government is committed to trying to address these very serious issues. That commitment and the need for that commitment are reinforced by this report.

We have already committed $150 million to building new homes for homeless Australians. We have announced $2 million for RecLink, the organisation behind the inspirational Choir of Hard Knocks, which is designed to run sport and recreational programs for people who are homeless. We are also supporting the homeless world soccer cup. I have had some involvement in trying to organise visas for what I think is a tremendous initiative.

We are, as you acknowledged, developing a white paper to set out the agenda for tackling homelessness through to 2020. The white paper will be considered by cabinet in the next few weeks. It will then be discussed with the states and territories as part of the COAG process. So while I concede that that is a longer term project in one sense, I think it does reflect the urgency of the government and it does reflect the need to tackle the problem in a whole way rather than just throwing little bits of money at various problems. The white paper is about us fundamentally attacking the problem of homelessness in this country. It is a very serious problem. For the first time for many years we have a Minister for Housing, Ms Tanya Plibersek, who is really working hard on this issue. The minister for FAHCSIA, Jenny Macklin, is also highly focused on it. So I think we will get real progress in these areas. We have a framework, I think, for a very serious assault on this most confronting problem. There are
some measures we have taken immediately—more needs to be done. If there is anything else I can get for the Senator in answer to his question about specific numbers, I will take that on notice and try to get back to him.

Senator FIELDING—Mr President, I ask a supplementary question. Earlier this year the Australian Institute of Health and Welfare released a report showing that in 2006-07 almost 70,000 children went with their parents into crisis centres for the homeless. That figure is up almost 30 per cent from the previous year. More than two-thirds of the children sleeping in crisis accommodation were under 12 years of age. The average age was just six years old. Most of the school-age kids were not attending school. Isn’t cutting welfare payments for parents whose kids cannot get to school because of homelessness going to make the problem even worse?

Senator CHRIS EVANS—Senator Fielding, no. I think that is a very simplistic attack and it really does not do justice to the size of the problem. What the government announced the other day was an attempt to have a new approach to try to get kids to school—to try to assist families to ensure that their kids go to school. We all know that that is so important for kids’ chances in life. We announced that we had a program as a last resort to try to help those families deal with the fact that they were just not coping as a result of the other measures that were put in place. That is a serious policy addressed to a serious problem. Homelessness is a serious problem that we are also addressing in a very fundamental way. There is a link between the two, but our approach is to tackle these problems head-on. I stand by both initiatives and they will both contribute to getting a much better result in terms of support for homeless kids.

Emissions Trading Scheme

Senator IAN MACDONALD (2.52 pm)—My question is to the Minister for Innovation, Industry, Science and Research. The minister would be aware that last Friday the Minister for Resources and Energy took responsibility for the damage an emissions trading scheme could do to industries in his portfolio, and he consequently convened a summit of companies that could be forced to shut down or to shed jobs because of an ETS. I ask the minister: when is he going to take similar responsibility for the impact on our manufacturing sector of a rushed and poorly designed emissions trading scheme, and when is he going to call a summit of manufacturing companies to talk these issues through?

Senator CARR—I thank Senator Macdonald for that question. That truly is a Dorothy and I am sure of Dorothys this week since you have asked me about nine or 10. I am looking forward to the opportunity—

The PRESIDENT—Order! Senator Carr, address your comments to the chair.

Senator CARR—Thank you, Mr President. Senator Macdonald starts from a fundamentally flawed proposition in attacking Mr Ferguson. He unfortunately has fallen for the old trap of believing what he reads in newspaper headlines. He has some fundamental problems in understanding these basic principles. What has occurred is that this government, right across the board, is consulting with industry. The government is ensuring that the fundamental challenges faced by this country in regard to climate change are addressed squarely, because what we had was 12 years of neglect and 12 years of negligence from those opposite in regard to facing up to the responsibilities this country has had to deal with on issues of climate change.

Before the release of the green paper, of course, there was discussion with industry
and after the release of the green paper there has also been discussion with industry. Australia’s heavy manufacturing industries such as aluminium and steel are significant contributors to the Australian economy. As a consequence I have established working groups within my department, which have been operating for several months dealing with these matters on a daily basis. The level of consultation with industry and the level of access has probably been greater with this government than they were in the last 12 years of the previous government.

Of course one acknowledges that heavy industry is a significant contributor to greenhouse gas in this country. So it is appropriate that the introduction of a national emissions trading scheme ahead of global carbon constraint may, of course, affect the competitiveness of emissions-intensive, trade-exposed heavy manufacturing industries in Australia. That is why we are providing the certainty necessary for these industries to be able to make the adjustments. We are providing the certainty that is necessary to attract new investment and to provide opportunities for increased employment in this country. And of course we are committed to ensuring that Australia—

Senator Wong interjecting—

Opposition senators interjecting—

The President—Order! Senator Wong and others, it is disorderly to carry on a debate across the chamber when Senator Carr is answering the question.

Senator Carr—The question is: how does an advanced industrial economy like ours adjust to the challenges of climate change? The answer—it is a pity the opposition does not understand this—is to attract new investment, to find new technologies, to develop new processes and to ensure that our industries are able to meet these challenges head-on and maintain their international competitiveness. We will establish a Carbon Pollution Reduction Scheme that will provide the certainty to enable industry to invest in long-lived assets like power stations and of course steel plants. Taking the lead ahead of some countries we understand how important it is not to undermine competitiveness. In fact we understand that climate change is a global challenge and the design of the scheme, as Senator Wong has outlined, will address the competitive challenges facing emissions-intensive trade-exposed firms. We will work in partnership with energy-intensive industries on research and development and on the application of new technologies to reduce emissions wherever possible. (Time expired)

Senator Ian MacDonald—Mr President, I have several supplementary questions. Firstly, why couldn’t you answer this question yesterday, Senator Carr? Secondly, did you not understand that I was actually praising Martin Ferguson? Thirdly, if this is a Dorothy dixer, why didn’t you get a proper brief on it? And fourthly, have you received representations from any trade unions concerning a poorly designed and rushed emissions trading scheme which could cost Australian workers their jobs?

Senator Wong interjecting—

Senator Johnston interjecting—

Honourable senators interjecting—

The President—Order! Senator Wong, Senator Johnston and others. Senator Carr.

Senator Carr—I do appreciate a Dorothy when it comes to a supplementary, once more! The opposition wants to talk about submissions from trade unions. Of course we understand the submissions that they delivered to trade unions with their WorkChoices legislation. We understand their attitude to working people in this country, which was to cut wages and undermine living standards.
We understand their attitude to working people in this country and we see it here today. We see their attitude in terms of encouraging the increase in interest rates. We saw 10 interest rate rises as a result of the previous government’s actions and now we see these crocodile tears about the fate of working people in this country. I can tell you that this government is confident that Australian industry, including Australian manufacturing, will take up the challenge of reducing greenhouse gases and boosting energy efficiency in their operations. Initiatives we are taking will ensure that happens. 

(Time expired)

Health

Senator BILYK (2.59 pm)—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Can the minister inform the Senate why it is important for all senators to support the full range of government initiatives in health announced in the budget?

Senator LUDWIG—I thank Senator Bilyk for the question. Labor is proud of its commitments to improve health services for the future of Australians. We announced many key budget initiatives that will take health forward in this country. Unfortunately but not surprisingly, these important initiatives are not receiving the support they deserve from Liberals opposite. Once again, we see the Liberals preferring to play petty politics rather than support good policy for the benefit of Australians. The list is not a short list. In announcement after announcement, those Liberal senators opposite chose to play games with the health and wellbeing of Australians.

Let us start with the Liberal’s opposition to reducing the Medicare levy surcharge. What does this mean for Australians? This week many families around Australia would have sat down at the kitchen table to work out how much money they saved through the latest interest rate cut. But now those same families will have to work out how much money they will lose because the Liberals want to block the changes to the Medicare levy surcharge.

Tuesday’s official interest rate cut will put nearly $600 a year back into the wallets of families with an average mortgage right across Australia. Yet no sooner will that extra money go into the wallets of Australians than those Liberals will reach in and take it out. For a family with two income earners earning a combined income of about $120,000, the increase in the threshold for the Medicare levy surcharge will save them up to $1,200 in tax immediately. On Tuesday, the Reserve Bank of Australia provided relief of nearly $600 per year for families with an average mortgage. And we hear a plaintive sigh from those on the other side. They do not accept what they are doing, but they are clearly doing it. The Liberal Party of Australia is planning to take that saving back in spades.

Let us not forget dental health. During the election last year, Labor announced that we would be delivering a $290 million Commonwealth Dental Health Program to help reduce public dental waiting lists. We also announced that we would be delivering on the Medicare Teen Dental Plan, providing over one million eligible teenagers with access to preventative dental checks. We gave Australians a clear choice at the last election, and the people chose Labor’s better targeted dental policies. But those opposite are economic vandals. They have an affection for cheap, short-term politics in the Senate. That is putting at risk the policies which the Australian public voted for. Let me remind those Liberals opposite what this means. Under the Labor government’s plan, states and territories will be able to provide up to a million public dental services. That is what is at risk here because of the Liberals’ blind obstructionism.
In addition, the government also announced that a portion of the budget surplus would be invested in a new health and hospital fund, the largest Australian investment in health infrastructure ever. The government has built up a strong surplus of $22 billion. But the Liberals have decided to blow a $6 billion hole in that surplus. They are opposing lifting the Medicare levy surcharge threshold to remove a tax slug on families doing it tough. They are siding with the alcohol industry to play cheap politics when it comes to teenage binge drinking. The Liberals are missing out on an opportunity to act responsibly to help curtail binge drinking, especially among young Australians.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Murray-Darling Basin

Senator Wong (South Australia—Minister for Climate Change and Water) (3.04 pm)—I have some further information in relation to a question asked by Senator Minchin of me this week in question time. I was asked when I received the advice, about which there have been some previous questions asked, in relation to water management in the Coorong and Lower Lakes. I am advised that my office received that advice on 23 June.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator Cash (Western Australia) (3.05 pm)—I move:

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

Those opposite need a lesson in taking responsibility. If you are going to hold out to the Australian public that you support a world-class education system, then, when faced with evidence and facts that show a fundamental failing by the Labor government in Western Australia in the area of education, you need to take action. You need to end the ‘no-blame game’ and acknowledge that the Carpenter government has failed to deliver the education standards that Western Australian children deserve.

The Rudd Labor government is doing everything that it can to ensure that it does not blame the Carpenter Labor government for its failings in the education system. Instead of showing leadership, instead of showing initiative, instead of producing policies with substance, they are indulging in their favourite game: the Labor no-blame game.

In March 1997, a decision was made by all state, territory and Commonwealth education ministers. They agreed on a national goal. That goal was that every child leaving primary school should be numerate and able to read, write and spell at an appropriate level. We now have a report—which it would appear the minister has not read—which ranks Western Australian primary school children as worst in reading, writing and maths in all the states and territories.

This report shows that the Carpenter government has failed the children of Western Australia, and this is a disgrace. This failure by the Carpenter state Labor government to provide an adequate education system makes a mockery of federal Labor’s so-called education revolution. What makes it worse is that Mr Carpenter is a former education minister. The fact is that the report and the minister’s pathetic answer to my question today clearly indicate that this Labor government is playing the no-blame game in respect of the
Carpenter Labor government in Western Australia.

The Rudd Labor government is immersed in a conspiracy of silence with the WA state Labor government. This is how that game is played out: first, the Rudd Labor government agrees not to criticise the state Labor governments for their failings and, in return, the state Labor governments agree not to criticise Mr Rudd’s government—to keep their mouths shut. The minister’s answer to my question today indicates that he has not read the report or, indeed, if he has read the report, has clearly not understood the findings. The report highlights the failings of the education system in Western Australia and yet the minister comes in here today playing the no-blame game and tries to make excuses for the disgraceful situation we have in Western Australia in relation to education. The minister’s answer is all about Labor rhetoric. It is designed to protect the states and to ensure that they are not held to account.

Worse than that, the minister’s answer to my question attempts to make excuses for them at the expense of school children in Western Australia. The Rudd no-blame game is destroying the future prospects of Western Australia’s greatest asset, its children. The Rudd Labor government will do anything for a cheap headline rather than tackle the substance of the education issue. In federal Labor’s recent press release on the education revolution in our schools, this is what the Prime Minister and the Deputy Prime Minister say:

Tough action is necessary to achieve real change.

I ask: what tough action is being taken by the Prime Minister and the Minister for Education to hold the Carpenter Labor government to account? Absolutely nothing, no comment—almost justification and praise is being given for the level of education standards in Western Australia. Labor’s so-called education revolution is nothing more than a stunt being perpetrated on the Australian people.

Senator POLLEY (Tasmania) (3.10 pm)—I think that, with new senators coming to the chamber recently, we all make allowances—as I do for the former speaker in what was obviously a purely outright political stunt. We all know that the West Australian election is coming. But, if we really want to talk about education, let us go back and remind those in the chamber and those listening of the terrible record and the lack of investment in education by the Commonwealth government over the last 11½ years. May I also turn people’s minds to the fact that it is very hard sometimes on the government side to respond to questions on notice because there does not seem to be a strategy. You can see Senator Abetz’s footprints and handprints all over these questions because there is absolutely no strategy at all. In fact, he is such a good tactician that not only did he leave the chamber today before the end of question time but I remind people of how he left the chamber and sulked during Senator Feeney’s first speech, which I thought was quite ungracious.

Let us turn our attention to some facts. In this chamber we have had not only in question time but relentlessly from those on the opposite side lecturing about how suddenly they have got a heart and now have an understanding of working Australians. Can I just remind people here today that it is those people sitting opposite, those like Senator Cash, who get up and lecture us about education who have been the economic vandals now vandalising our budget—the budget that we won the election on, the commitments that we are upholding and those election commitments that we are now trying to deliver on—and, in fact, trying to blow a $6 billion hole in this budget. And they call themselves responsible! I think the Austra-
lian people demonstrated very clearly at the last election where they are prepared to put their trust for the future. They want a government that is going to look long term at their future and their children’s future, whether that is education or more particularly in health.

It is also about investing in infrastructure and building this nation, which is something that I would like to remind people was squandered by the Menzies government decades ago. In fact, it was the Hawke-Keating government that put the footings back in place that enabled the Howard-Costello government to have the success that they had with the economy. I also want to touch on the commitment that this government has made, and is making, to health. We all know—

_Honourable senators interjecting_

_The DEPUTY PRESIDENT—Order!_ Senator Polley has a right to be heard in silence.

_Senator POLLEY—I guess it does hurt those opposite when they actually hear some facts that they very conveniently want to misrepresent or forget. It is a bit like, Senator Macdonald, your selective memory during the earlier debate on the Medicare surcharge levy when you were talking about hospitals and waiting lists throughout Queensland. I would just like to remind the chamber that since we—that is, the Rudd Labor government—came into government there has been, as I said, $1 billion invested in the health system and there is $600 million going to help alleviate the waiting lists. For example, there is $27 million to undertake 4,000 procedures in Queensland and $34 million paid to Victoria for nearly 6,000 procedures to be undertaken.

These are clear demonstrations, but we cannot come in, switch on a light and change everything after 12 long years of a government that not only neglected people in health but also failed to invest in skills training and education for the future. We actually have a plan, our National Health Reform Plan. We have developed the National Health and Hospitals Reform Commission, which will be looking at improving the long-term benefits to rural Australians in health care.

_The DEPUTY PRESIDENT—Order!_ Senator Polley, I remind you that the motion before the chair is in relation to the answers to Senator Cash’s questions in relation to education. We do allow a lot of lenience in motions to take note of answers—

_Senator Faulkner interjecting—_

_The DEPUTY PRESIDENT—I apologise. Senator Polley, I was not in the chair at the time the motion was moved._

_Senator POLLEY—Thank you, Mr Deputy President. I do take your point on board, but my understanding is that it was about all questions._

_The DEPUTY PRESIDENT—Yes. I did not hear that._

_Senator POLLEY—I want to remind people of, and to put on record and to dispel, some of the myths that are espoused by those opposite in relation to health and skills training in terms of the economy. It is one thing to come in and want to use question time for political motivation because there is an election in WA—and I am sure that those people in WA are the beneficiaries of education—(Time expired)

_Senator COLBECK (Tasmania) (3.15 pm)—It is amusing that Senator Polley makes the claim that she has come to the chamber wanting to dispel myths. Most of the answers that the government gave today to opposition questions were in fact mythical because they had absolutely no relevance to the questions—with the exception of that of Senator Faulkner, who obviously gave a very_
succinct and proper answer to a very important question that was raised in the chamber today.

Senator Faulkner—Like all my answers!

Senator COLBECK—Senator Faulkner, if you want to live in that belief, we will let you run with that. Over this week and again today we have seen that the government has serially failed to address a question and particularly to answer a question. That is effectively what question time is about—answering questions without notice to the government. It is not a good look, I have to say. When I got home last night I sat up and watched question time, which shows how sad my life is! But I would suggest that some of the government senators might like to do that themselves, because it can be quite instructive. It might encourage them to have a chat to some of their ministers and suggest that they might like to actually have a crack at answering a question, because it shows a very poor front for the government when their ministers cannot, will not—or, in Senator Carr’s case, refuse to—answer a question. I thought that was quite exceptional yesterday.

In respect of my question today to Senator Ludwig about the 30 per cent Medicare rebate, the question really brings to light an underlying belief within members of the government that they do not support the 30 per cent Medicare rebate.

Senator Marshall—It’s a bit rude to refer to a first speech, Richard!

Senator COLBECK—I will take the interjection. We all come into this place knowing that what we say is important and that is part of the process. We also come in here, particularly for our first speeches, looking at a convention where we are given—

Senator Marshall interjecting—

The DEPUTY PRESIDENT—Order! Senator Marshall!

Senator COLBECK—Mr Deputy President, I am happy to take Senator Marshall’s interjection.

The DEPUTY PRESIDENT—But I am not happy with his interjection, so I advise you to come back to the subject.

Senator COLBECK—I note and put on the record at this point in time that the majority of opposition senators in their presentations—and I have made comment to them about it afterwards—have observed the conventions of this chamber when making their first speeches. When any senator gets up to make their first speech, the Senate is reminded by the chair that the convention of the Senate is that they will be heard in silence. If senators would like to have a look at Odgers, they will see that it says, as I have indicated, that a senator making a first speech will be heard in silence and that is the convention of the chamber. I will read to senators:

Special conventions of debate apply to the first speech of a new senator. It is expected that the—

Senator Faulkner—Mr Deputy President, I rise on a point of order. Perhaps, Mr Deputy President, you might care to reflect on the issue of the question before the chair, which was a matter you raised a few moments ago. I have no idea what relevance this has to the motion that has been moved by Senator Cash. Neither does Senator Colbeck. Now, we are all very generous about these things and let these flights of fancy run, and I am feeling in a very generous mood today, but I draw your attention to the fact that this bears utterly no relation whatsoever to the question before the chair—that the Senate take note of questions asked of government ministers today.

The DEPUTY PRESIDENT—I will rule on the point of order. Senator Colbeck was
responding to an interjection made by Senator Marshall.

Senator Faulkner—That was very disorderly!

The DEPUTY PRESIDENT—It was very disorderly, but the interjection was made and, to the best of my knowledge, it has been the convention of this place that when an interjection is made the person on his feet may respond to it. As I understand it, Senator Marshall was referring to a first speech in his interjection and Senator Colbeck was responding apropos that comment about a first speech.

Senator Faulkner—Mr Deputy President, out of respect for you, I am reluctantly accepting that ruling!

The DEPUTY PRESIDENT—Senator Colbeck.

Senator COLBECK—I do not want to take up much of the chamber’s time on this, but I have indicated that the chamber is reminded that new senators giving their first speeches should be heard without interjection and interruption. The corollary of this convention is that a first speech should not directly criticise other senators or otherwise provoke interjections or points of order. Unfortunately Senator Feeney was somewhat provocative in his speech and unfortunately—and I do say that—some senators reacted to that. I did take the opportunity to congratulate Senator Feeney on his speech afterwards, as the convention states, so I make that point.

To go back to my point about the 30 per cent rebate, we know that support for that rebate has not always been Labor Party policy. They do not believe it. And Senator Feeney’s comments in his first speech show that below the waterline, if you like, there are members who still do not believe it. (Time expired)

Senator PRATT (Western Australia) (3.22 pm)—This question time has demonstrated, I think, what poor public policy practitioners the opposition were while in government, and they clearly have not learnt. The opposition’s questions regarding health insurance demonstrate their poor approach to public policy. I would like to commend Senator Feeney for raising the importance of these issues in his first speech. And I reject the notion offered by the opposition that younger, healthier people should be coerced into subsidising health insurance for others. I say this for the following reasons. There is significant evidence to suggest that in many instances people hold cheap health insurance simply to avoid the levy. When you hold health insurance and intend to use it there is a significant need to insure yourself above the insurance rebates—in other words, there are significant gap payments to be made. Despite the fact they hold insurance, many people cannot afford a private hospital bed or a private practitioner. As a result, many people who hold private health insurance still have no option but to occupy a bed in a public hospital. Some will pay a smaller gap, as charged by the public hospital; others, however, make no claim and they use the public system.

Who is subsidising who? Not only do we have taxpayers who are healthy and do not need to use insurance, but we also have taxpayers who have paid their insurance and cannot afford to use it. So people who cannot afford to use it are subsidising the health insurance rebates from health funds for those who can. That is a shame. What is more, the taxpayer is paying twice—once in the form of the 30 per cent rebate for health insurance that is not used and a second time for the care of the patient in a public hospital. This clearly highlights the unjust, nonsensical nature of our current private health insurance penalties for those who cannot afford insur-
It also illustrates why Labor’s bill should be passed.

Another issue in question time today that was highlighted by the Minister for Innovation, Industry, Science and Research, Senator Kim Carr, was that industry was in danger of being left behind because of the opposition’s failure when it was in government to introduce an emissions trading scheme. Trade unions also know that we have to get on with the job of reducing emissions and get on with putting together a scheme that protects both the environment and our long-term economic interests. Failure to recognise that failure to act means that industry will be faced with uncertainty for their investments, and the opposition still fails to recognise this. It is important for an economy to adjust to climate change; otherwise we will be unable to attract investment. I think this is a point that the minister made very well in his answers to questions. The government is at a crucial stage of the development of this policy. It is getting on with the job. It is consulting. We will have a well-designed emissions trading system.

Lastly, I would like to highlight issues of relevance to the Western Australian education system. I think there was a blatant attempt to politicise a very important issue right before the state election.

Opposition senators interjecting—

Senator PRATT—And good on you; it is your right to do that. But I would like to highlight to the opposition that Western Australian students are younger than students across the rest of the country, and that is a reason for some of the discrepancies in the results. What is more, Western Australia makes a significant investment in early years education and has introduced an important Getting it Right literacy and numeracy strategy for students who are falling below benchmarks. We also have a policy in Western Australia where 50 per cent of class time is spent on reading and maths. Question time today has simply demonstrated what poor public policy practitioners the opposition were while in government and that they remain deluded while in opposition.

Senator PARRY (Tasmania) (3.27 pm)—I think Senator Pratt has highlighted the inadequacies of the government if she is referring to question time and the bad policy—it is certainly from her side. Today in question time Senator Conroy answered a question from me concerning Tasmania and the Tasmanian Labor Premier’s position on the reduction of the fuel excise: the coalition pledge of 5c a litre off the fuel excise, which would be a significant saving for the average family. Senator Conroy basically said that Premier Bartlett was economically irresponsible, an economic vandal. I cannot wait till the Hansard is sent down to Premier Bartlett so he can see what his federal Treasury spokesperson in the Senate says about his particular attitude towards fuel and towards the economy.

For those senators opposite, I point out that today’s Examiner newspaper—an excellent newspaper; the jewel in the crown of northern Tasmania—has an article on page 1 under the heading ‘Bartlett targets fuel excise’. It says:

THE State Government is gearing up for a fight with its Federal counterparts—‘federal counterparts’ being Mr Rudd and Senator Conroy’s policy, and it goes on with the editorial. So it is not on just page 1 but also in the editorial, which says:

Premier David Bartlett, who is organising the summit—organising a summit that should be supported by his federal leader—after The Examiner called for one, has set the pace by indicating that he is prepared to defy his own federal party and back a cut in the federal
fuel excise - a reform trumpeted since May by Federal Opposition Leader Brendan Nelson with his call for a 5c a litre cut.

Senator Conroy now goes against his Labor Premier—of all people, his Labor Premier. Senator Conroy has got a dilemma. I do not know how Senator Conroy is going to handle this. Premier Bartlett is obviously going to be dismayed, because Senator Conroy has called him ‘economically irresponsible’. How can we tell the families of Australia that reducing the fuel excise by 5c a litre—after GST, 5½c—is economically irresponsible? It is not economically irresponsible. That is a direct benefit back to the families of this country who rely on this.

I want to give you a mum-and-dad example of what happens in Australia today. Senators opposite need to get out a bit more; at least on this side of the chamber we get out and about in Australia and we actually hear what families are saying to us. Listen to this example of a typical family, Andrew and Kate. They have three kids and three cars—a sedan and a couple of hatchbacks. They have a son on P-plates and he is helping with the two sisters, helping to drive them to and from school and sporting commitments and other things. I will go straight to the crux of this—and I have not changed the names to protect the innocent. Their sedan travels 18,000 kilometres a year, at 13.2 litres for every 100 kilometres. Respectively, the two hatchbacks notch up 16,000 kilometres a year, at 7.8 litres per 100 kilometres, and 12,000 kilometres a year, at 7.2 litres per 100 kilometres. A 5.5c per litre reduction—that is, the excise plus GST—would save that family $246 a year. That is the minimum saving. If, as a party that is supposedly concerned about working families in this country making ends meet, you on that side want to say that is economically irresponsible, if you want to say that is not putting money back into the hands of the battling families of this country, that is very irresponsible.

I just want you to explain to the people of Australia why you will not support a reduction in the fuel excise. There is a $22 million surplus sitting there, and this surplus can be utilised in that way. That is money from this country’s public purse, from this country’s working families: give it back. Give it back. Don’t sit on it; don’t save it up for a huge war chest for the next election; give it back now. And, while you are at it, start thinking about pensioners and giving them a helping hand, because, I tell you what, you are slowly going down the gurgler. You are not looking after the families of this country or the pensioners, who are very important. Start looking after the heartland of this country.

Mr Deputy President, through you: they have lost the plot and they have got to pick it up again.

Senator SIEWERT (Western Australia)
(3.33 pm)—I wish to take note in particular of the answer given by the Minister for Climate Change and Water (Senator Wong) to a question without notice asked by me today, relating to the Murray-Darling Basin.

The Intergovernmental Agreement on Murray-Darling Basin Reform was a much trumpeted agreement just several months ago, in fact, when the government said: ‘We are the ones that can deliver reform in the Murray-Darling Basin. We have signed this historic agreement. We got the COAG agreement signed in March and now we’ve got the IGA.’ This was with a commitment that the reforms would be put in place by 1 November—a very ambitious agenda, I will say, but that is what they were supposed to be using their best endeavours to deliver. Now we find, from the minister’s answer to my question, that the government can deliver no report on progress in delivering the reforms that were supposed to be delivered.
The states and territories undertook to put through their parliaments the referral of powers to the Commonwealth government so that they could then amend the Water Act 2007 so they could put in place an authority. And what is that authority supposed to do? That authority is supposed to be delivering the basin plan. You cannot do the basin plan till you have an authority, but you cannot have an authority until the states have actually signed over and delivered those powers to the Commonwealth.

The minister could not report on whether any state had put together draft legislation or, in fact, whether there was any draft legislation in any of their parliaments. How can we then expect to have a bill to amend the Water Act in this place for us to review, to properly consider, by 1 November? I hate to predict this but I do not think that we are going to see any amendments to the Water Act in this place by 1 November. I would be very surprised if any state government has any draft legislation prepared, let alone any legislation through their state parliament, by 1 November. Therefore, if we have no legislation in here for this place to consider, there will be no authority in place that has the powers referred to it to be able to develop the basin plan and be able to then start developing the sustainability cap. That leads me to the point that, even if we do have a sustainability cap, we will not be able to implement that till 2014 in New South Wales and 2019 in Victoria.

So what does that mean for the new reforms that the Murray-Darling Basin is supposed to now come under? There are no reforms in place. You would have thought that, as we are delivering new reforms for the Murray-Darling Basin, the least the states and territories could do to get a move on would be to get legislation through their parliaments. You would think that, wouldn’t you? You would think they could at least deliver that, but, no, they cannot. They still cannot deliver the said reform processes through their state colleagues, through their state parliaments, to actually have a plan in place. Then there is the cap: they cannot deliver the cap. And then we move on to the four per cent cap that is stopping trading out of districts. The minister confirmed to me after the session that there is one district that has already met the four per cent cap. That is since July, and we have nine months to go in this financial year. I understand there are other districts that are probably getting very close to that four per cent cap as well. So there will be many districts where we can no longer buy water, if there is water available, to deliver water to the Murray-Darling Basin.

So we are looking at very significant structural problems that have still not been addressed. There has still been no movement on them. We were critical of the coalition; no doubt about it. Then this government came in and said, ‘We have a new reform agreement,’ a much trumpeted new approach—no difference. We still do not have any legislation through the state parliaments in order to refer those powers to the Commonwealth. There is still no legislation there. It is still slow. There are still processes in place under the new so-called reforms that allow the states to hold up progress even once they have referred those powers. We have not got as far as them referring those powers but, even when they do, the states can still hold up progress on the Murray-Darling Basin.

The Greens’ question is: when are you going to get serious about this stuff? When are you going to lay down the law to the states? If they are not prepared to deliver through the agreement, when are you going to start requiring and pushing the states to start meeting their obligations? Do not just come in here and talk about it as if you have all the answers when you clearly have not, because those reforms are not happening. You will
not deliver the reforms that are required by 1 November. So much for best endeavours under the IGA! It is not worth the paper that it is written on.

Question agreed to.

**LEAVE OF ABSENCE**

**Senator McEwen** (South Australia) (3.38 pm)—by leave—I move:

That leave of absence be granted to Senator O’Brien for the period 15 September to 11 December 2008 on account of parliamentary business overseas.

Question agreed to.

**COMMITTEES**

**Selection of Bills Committee**

**Membership**

**Senator McEwen** (South Australia) (3.38 pm)—by leave—I move:

That Senator McEwen as acting whip be appointed as acting chair of the Selection of Bills Committee, during the absence of Senator O’Brien.

Question agreed to.

**MINISTERIAL STATEMENTS**

**Economy**

**Australian Laureate Fellowships and Commonwealth Scientific and Industrial Research Organisation**

**Senator Carr** (Victoria—Minister for Innovation, Industry, Science and Research) (3.38 pm)—I understand that the convention in recent times is that ministerial statements be tabled, and I have also been advised that, due to the pressure of business, it would be beneficial to the running of the Senate that these statements be tabled. I therefore table a ministerial statement on the Australian economy and global conditions and a statement by me on the Australian Laureate Fellowships scheme and the new Chief Executive Officer of CSIRO.

**Senator ABetz** (Tasmania) (3.39 pm)—by leave—I move:

That the Senate take note of the document.

**The Deputy President**—Which statement, Senator Abetz?

**Senator ABetz**—As I understood it, there was one relating to Minister Carr, and that was his statement on the Australian Laureate Fellowships scheme and the new chief executive of CSIRO. The statement, like everything else emanating from this government, is all about spin and not substance. A statement about the Australian Laureate Fellowships scheme and the appointment of a new chief executive of CSIRO has been demeaned and sullied by this particular minister’s inability to desist from cheap partisan statements. The appointment of Dr Megan Clark, we assume, is a good, proper—

**Senator Stephens**—Meritorious.

**Senator ABetz**—meritorious, worthy appointment. It should not have been cooched in a highly political statement where the minister gratuitously attacks the alternative government. At the fourth sentence into the statement, he already makes highly politically charged statements, and then that theme continues right through until the very second-last sentence in his statement. So the minister bookends this important statement with cheap political comments throughout.

The statement tells us that the government is working on many fronts to improve Australia’s innovation capacity but, of course, it does not tell us that ANSTO has been cut by $12 million, that the CSIRO has been cut by $63 million and that the abolition of the Commercial Ready program will strip $1.4 billion worth out of the innovation sector. We are told in this statement that, after neglect et cetera, we urgently need to lift our game. So I ask rhetorically: how did Labor lift its game in this area? Well, it has reduced total outlays on research and development from...
2.63 per cent of the budget to 2.56 per cent, the lowest in four years and the second lowest for the decade. He then moves on to tell us that we have to ensure that we get the best returns from our own great innovation assets. One of those assets is the CSIRO, the minister tells us, yet he sees fit to strip $63 million out of the CSIRO, a stripping which as we speak is causing forced redundancies, the closure of centres and the sale of CSIRO assets around the country. But he has the audacity to pretend that the CSIRO, in the face of these massive cuts, is evolving.

You see, Mr Deputy President, when it comes to innovation, science and research the Labor Party are great on spin, but when you analyse the substance it does not match the spin. The minister said before the last election, in relation to innovation, that he would streamline the Commercial Ready program. Did he streamline it? There is now no paperwork whatsoever associated with that scheme, because he abolished it. $1.4 billion was stripped out of the innovation sector of this nation, and yet he has the audacity to say that innovation is at the heart of this new government. He started off his statement by saying, ‘The government is working on many fronts to improve Australia’s innovation capacity’—when he stripped $1.4 billion out of the innovation system. So, as with everything of this minister and this government, do not look at the spin; look at the actual substance. Look at what they have actually done.

In this statement the minister announced the appointment of Dr Megan Clark as the new CEO of CSIRO. I congratulate her on that appointment, look forward to interactions with her at Senate estimates and elsewhere and wish her well in that job. It is regrettable that, with all the politics that the minister plays, he could not even bring himself to say thank you to the outgoing CEO of CSIRO, Dr Geoff Garrett—a man who won a Centenary Medal for his contribution to science. One would have thought that a minister—instead of playing politics with this sort of a statement, instead of trying to bash up the alternative government—would have said: ‘What are the important things to get across here? CSIRO is an important institution in this country. It has been served exceptionally well by Dr Geoff Garrett for about seven years. He is to be thanked for his service to the Australian people. He is to be congratulated for what he has done—might I add in very difficult circumstances.’ But no, there was no word of thanks to Dr Geoff Garrett, only commentary about the appointment of Dr Clark—commentary which, of course, is well deserved, is proper, and I wish her and the CSIRO every success for the future. But the inability to say thank you to Dr Geoff Garrett in that statement is unfortunately a reflection of the way that this particular minister does his business.

Innovation, science and research are vital areas for this nation’s future. They are vital because without them our country will go backwards. We cannot afford to stand still, but this country is now not even standing still; we are going backwards. The figures clearly show that we are lagging in relation to budgetary allocations. ANSTO—the Australian Nuclear Science and Technology Organisation—has had $12 million ripped out of it because of this minister’s attitude to anything that has the word ‘nuclear’ in it. A very immature, extreme, left-wing political agenda has driven the cuts to something which is at the forefront of medical technology in this country. It is being cut, and cut heavily. Senator Carr championed the CSIRO to anybody who would listen for the two years before the last election—he was going to revitalise the CSIRO. Of course, according to Labor you revitalise the CSIRO by ripping $63 million out of it and forcing redundancies—a great way to revitalise!
Then he says he is going to streamline Commercial Ready. Everybody thought, ‘A great scheme, a fantastic scheme, and something will be done to make it even better.’ Instead, without warning, he callously chopped it.

How does that help Australian innovation? I can tell you it does not. Literally hundreds of people have contacted me indicating that they are now going to take their investments overseas. One of the other things the minister does not understand is that the Commercial Ready program allowed collaboration between inventors, venture capitalists and some of our great institutions. I have heard a whisper that the CSIRO could have easily expected about $10 million to flow to it on an annual basis through the Commercial Ready program, before it was abolished. So no longer do we have this $63 million cut; chances are that over the forward estimates it may become more like a $100 million cut. Yet the minister says: ‘I’m the champion of innovation. I am the one to streamline Commercial Ready. I am the one to revitalise the CSIRO. I am the one to revitalise ANSTO.’ Everything he has done in his portfolio is the exact opposite. To hide that fact, he cannot help but become deliberately political in his ministerial statements. Can I suggest that, rather than attacking us in the future in his ministerial statements, he ought to concentrate on his portfolio and also think about doing the decent thing, like giving a vote of thanks to the outgoing CEO of the CSIRO, Dr Geoff Garrett. He deserved to be treated a lot better. (Time expired)

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (3.50 pm)—I would like to speak to the motion before the chair. Senator Abetz, the convention is that when you table a statement, you would expect to have a tabled reply. Since you have chosen not to do that, I am of course obliged to respond to your remarks. Let me deal firstly with your slur with regard to the attitude towards Dr Garrett. If you had actually participated in any of the events yesterday, if you had followed any of the developments yesterday, you would have known that there was a full and fulsome congratulation to Dr Garrett, in public, at the Discovery Centre. Your slur with regard to that matter is misplaced because it is once again factually wrong. I should get used to your slurs and I should get used to the fact that you are factually wrong, because that seems to be the common pattern—

The DEPUTY PRESIDENT—You will address the chair, Senator Carr.

Senator CARR—Mr Deputy President, I should get used to the way in which Senator Abetz does this, because his whole style is not to examine the issues but to attack individuals in such a way as to personalise his politics. In fact, his whole approach to politics is essentially to play the person rather than the issue.

The proposition we have before us today is a ministerial statement which draws attention to the fact that there is a serious problem facing this country—that is, while the bar has been rising with regard to our national innovation effort, our performance has been falling. I argue in this ministerial statement that we do not have the innovation capacity to stay productive and competitive if the positions that were maintained under the previous government were allowed to continue. We do not have the innovation capacity to maintain living standards in a cut-throat global economy in a low-carbon world. Therefore there is a need to fundamentally reassess the approach that this country takes to the national innovation system. That is exactly what we have done with the review of the national innovation system. I look forward to Senator Abetz’s response to that.

That is fundamentally what we have done with regard to the Australian automotive in-
I look forward to Senator Abetz’s response to the Bracks review, because we have not heard any detailed assessment of that review. I have not heard anything from Senator Abetz on the review of the CRC program, and I look forward to his assessment with regard to the clothing and textile review.

What occurred under the Howard government was that public funding for tertiary education actually declined. We were one of only three countries in the OECD that saw a reduction in support for business R&D. The cuts that were made under the previous government to business R&D were the deepest in the OECD. Commonwealth spending on science and innovation actually fell by 27 per cent, as a share of GDP, from its peak under the Keating government through to the period of the current financial year. The shadow minister says that the current government’s budgetary arrangements are such that they produce a lower figure. The truth of the matter is that we brought down a budget only a few months ago. The OECD statistics are based on the full effect in any financial year, so you need to look at the history of these things in the context of what the previous government actually did.

Of course, we saw the growth in research degree commitments collapse. We saw collaboration between industry and universities go backwards. We saw Commonwealth spending on science and innovation, as a share of GDP, fall by 27 per cent. In that context, I was absolutely delighted that Dr Megan Clark took up the position of CEO of the CSIRO. She is probably the most prominent and most senior private sector technologist that this country has. I can only guess at the sorts of salaries that she may well have been offered working for BHP, but she has chosen to work for the Commonwealth. I applaud her public spirit and the fact that we are able to attract a person of her calibre and that, in the circumstances that this country now faces, she is able to commit herself to such public services. That is why I say it is such a fantastic appointment.

Dr Clark is the sort of person who will inspire women all over this country. The truth of the matter is that, when we look at our performance with regard to engagement of women in the sciences and in mathematics, our position is woeful—just woeful! Dr Clark, I hope, will be a model to young women scientists right across the nation. It is my hope that her example will inspire more women to stick with the sciences and build careers in research to boost the innovative effort of this country as a whole. In this country we have seen an appalling situation with regard to women staying on in maths and science. Despite the fact that females are the predominant candidates for positions in primary and junior high schools, in senior high schools and universities the situation is reversed.

What we have also said in this ministerial statement is that despite the fact that our performance by world standards is slipping we need to take action to attract young Australian scholars. We have proposed, through this announcement, that a new Australian Laureate Fellowships scheme be introduced. It is a scheme that is worth some $239 million over the next five years. It will give top international researchers a reason to come here and to stay here if they happen to be Australian. Each research laureate will be able to act as a mentor for research teams of up to four postdoctoral and postgraduate researchers, passing on their skills and knowledge to the next generation.

We need this sort of thing because of the ageing of our research workforce in this country. That is the sort of action that this government is taking to address the shortfall in our capacity. We need to do a lot more.
The ratio of PhD completions to undergraduate degree completions in the natural and physical sciences is one to nine for males, and only one to 13 for females. That is the sort of thing we need to address. We need to address the ageing of our workforce and we need to ensure that we are able to rebuild our research infrastructure, but we will not do that unless we can attract quality candidates such as Dr Megan Clark to senior positions in science. That is the point we are making: that the appointment of candidates like Dr Clark to positions like this and things such as the Australian laureates will provide the stimulus to attract high-quality people to the Australian research sector.

Senator Abetz, I suggest you spend a bit more time on the issues and a lot less time on the personalities, and you will probably be a much better shadow minister as a result.

Question agreed to.

COMMITTEES

Appropriations and Staffing Committee
Report
The DEPUTY PRESIDENT (3.58 pm)—On behalf of the President, I present the annual report for 2007-08 of the Standing Committee on Appropriations and Staffing.

Ordered that the report be printed.

DOCUMENTS

Research Involving Human Embryos Act 2002

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (3.59 pm)—by leave—I wish to inform the Senate that a report under section 47C of the Research Involving Human Embryos Act 2002 is close to finalisation. Once I have received the report, which is expected shortly, I will endeavour to ensure that it is tabled in both houses of parliament at the earliest opportunity. Section 47C of the Research Involving Human Embryos Act sets out the requirement for the report. It uses non-standard terms to describe the scope of the report and the mechanisms for appointing persons to conduct the review. I am advised that my department has engaged in extensive deliberations, including with the legal services area, to ensure that the report meets the requirements of the legislation. I am also advised that these deliberations have caused the delay in the tabling of the report.

COMMITTEES

Community Affairs Committee
Reference

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (4.00 pm)—I table draft regulations relating to the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 and I seek leave to move a motion in relation to the draft regulations.

Leave granted.

Senator McLUCAS—I move:

That the draft regulations relating to the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 be referred to the Community Affairs Committee for inquiry and report by 2 October 2008.

Senator COLBECK (Tasmania) (4.01 pm)—Just very quickly with respect to this matter, this particular action is one that was actually requested during the second reading debate on the legislation. While the opposition is not opposing this reference through the motion, we are quite concerned that the government did not actually listen to senators during the debate when we mentioned in our contributions that this was a course of action that we would consider important in the deliberations on this piece of legislation.

Senator McLucas interjecting—
Senator COLBECK—Senator McLucas, I will take your interjection. I know that Senator Fielding actually asked for this reference prior to the ballot. I mentioned it in my speech in the second reading debate. I can say to you, quite frankly, that it was particularly the understanding of some of us that this action was not going to occur. I repeat comments that I made earlier: our deliberations on this piece of legislation were made much more difficult by the fact that the regulations were not available to the committee when the inquiry was conducted. That is reflected in both the majority report and the minority report. I did say in my comments during the second reading debate that we appreciated the fact that the government did make the regulations available, although we were concerned that they were not made available until after the committee had reported.

The government seem to be in all sorts of disarray with respect to this piece of legislation and their management of government business through the house, in that they come in here this afternoon, after a piece of legislation has been defeated in this chamber, and seek leave to refer the regulations that are appended to that piece of legislation to a committee, when they could well have been considered by that committee prior to the vote actually being taken in the chamber. Perhaps the government may learn some lessons in the management of legislation and the way that they interact with senators in this place as to not find themselves in the situation where they have to come into the chamber, after a piece of legislation has been defeated on the floor of the chamber, and seek to refer regulations that are effectively supported by that piece of legislation. Through that process of the legislation having been defeated, there is effectively nothing to support the regulations without the government looking to return the legislation to the parliament, and obviously that is what they intend to do. So I would suggest that the government’s strategists have a bit of a look at the way that they are operating—perhaps even be a bit more open with the way that they are communicating with senators in this place—and they may not find themselves in such a difficult situation as they have, where a bill has been defeated on the floor of the parliament and they seek to bring in regulations that relate to that after the fact.

Question agreed to.

Selection of Bills Committee Report

Senator McEWEN (South Australia) (4.05 pm) I present the 10th report of 2008 of the Selection of Bills Committee.

Ordered that the report be adopted.

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

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE REPORT NO. 10 OF 2008

1. The committee met in private session on Thursday, 4 September 2008 at 1.30 pm.

2. The committee resolved to recommend—

That—

(a) the ATMs and Cash Facilities in Licensed Venues Bill 2008 be referred immediately to the Community Affairs Committee for inquiry and report by 10 November 2008 (see appendix 1 for a statement of reasons for referral);

(b) the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008 be referred immediately to the Community Affairs Committee for inquiry and report by 25 November 2008 (see appendix 2 for a statement of reasons for referral); and

(c) the provisions of the Same-Sex Relationships (Equal Treatment in Com-

3. The committee resolved to recommend—
   That the following bills not be referred to committees:
   - Australian Research Council Amendment Bill 2008
   - First Home Saver Account Providers Supervisory Levy Imposition Bill 2008
   - First Home Saver Accounts (Further Provisions) Amendment Bill 2008
   - Flags (Protection of Australian Flags) Amendment Bill 2008
   - Safe Work Australia Bill 2008
   - Safe Work Australia (Consequential and Transitional Provisions) Bill 2008

   The committee recommends accordingly.

4. The committee deferred consideration of the following bills to its next meeting:
   - Emergency Assistance Fund for the Lower Lakes and Coorong Region of South Australia Bill 2008 [No. 2]
   - Plastic Bag Levy (Assessment and Collection) Bill 2002 [2008].

(Kerry O’Brien)
Chair
4 September 2008

Appendix 1
Proposal to refer a bill to a committee
Name of bill(s):
ATMs and Cash Facilities in Licensed Venues Bill 2008

Reasons for referral/principal issues for consideration
The impact of removing ATMs on problem gambling and any consequential matters

Possible submissions or evidence from:
Community groups, banking and finance, hotels and clubs, problem gambling experts.

Committee to which bill is referred:
Community Affairs Committee

Possible hearing date: 13 October 2008
Possible reporting date(s):

Appendix 2
Proposal to refer a bill to a committee
Name of bill:
Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008

Reasons for referral/principal issues for consideration:
The issue of junk food advertising to children is a growing concern to the Australian community, particularly parents and health advocacy groups. The recent decision by the Australian Communications and Media Authority not to include restrictions on this type of advertising despite the dramatic increase in childhood obesity in Australia highlights the need for a legislative response.

Possible submissions or evidence from:
Australian Medical Association
National Heart Foundation
The Cancer Council Australia
The Public Health Advocacy Group
Coalition Against Food Advertising
Choice
Australian New Zealand Obesity Society
Obesity Policy Coalition
Rosemary Stanton
Professor Boyd Swinburn from Parents’ Jury

Committee to which bill is to be referred:
Community Affairs Committee

Possible hearing date(s):
Possible reporting date: 25 November 2008

Whip/ Selection of Bills Committee member

CHAMBER
Membership

The ACTING DEPUTY PRESIDENT (Senator Trood)—The President has received letters from party leaders requesting changes in the membership of committees.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (4.06 pm)—by leave—I move:

That senators be discharged from and appointed to committees as follows:

Agricultural and Related Industries—Select Committee—

Foreign Affairs, Defence and Trade—Standing Committee—
Appointed—Senator Ludlam

Privileges—Standing Committee—

Rural and Regional Affairs and Transport—Standing Committee—
Appointed—Substitute member: Senator Farrell to replace Senator O’Brien for the period 15 September to 12 December 2008

Treaties—Joint Standing Committee—
Appointed—Senator Ludlam.

Question agreed to.

MIGRATION LEGISLATION AMENDMENT BILL (No. 1) 2008

Returned from the House of Representatives

Message received from the House of Representatives returning the bill without amendment.

NOTICES

Presentation

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (4.06 pm)—by leave—I give notice that, on the next day of sitting, I shall move:


CLIMATE CHANGE

Return to Order

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.08 pm)—by leave—There were two motions made pursuant to standing order 164. I am advised that Senator Carr has been in contact with the Minister for Resources, Energy and Tourism’s office in relation to the order seeking the tabling of a document which is described in the order. The order was made yesterday afternoon seeking the tabling of the document at 4 pm today. The government is considering its response to this order and will provide that response to the Senate on the next day of sitting.

Secondly, I can advise that I have been in contact with the Minister for Finance and Deregulation’s office in relation to the order
seeking the tabling of the strategic review of the Australian government’s climate change programs. The government is considering its response to the order which was made yesterday afternoon seeking the tabling of the document at 4 pm today. The government’s response to the order will be made on the next sitting day.

As both orders relate to climate change related matters, I will take this opportunity to draw the Senate’s attention to the very real issues and the serious situation Australia faces as a consequence of climate change. The government through the Prime Minister and through Senator Wong, the Minister for Climate Change and Water, have been dealing with this issue very comprehensively. Whether it is signing Kyoto or through a Carbon Pollution Reduction Scheme, the Rudd government is preparing Australia for the challenges of the future by tackling climate change and securing our water supplies. Australians know that acting now on climate change is the responsible thing to do. The government is committed to helping Australian families take practical action in their homes to reduce energy use, save on energy bills and make a real contribution to tackling climate change.

Senator MILNE (Tasmania) (4.10 pm)—by leave—I find this situation completely unacceptable. The Senate made an agreement and passed a motion yesterday that two documents be laid on the table of the Senate by 4 o’clock today. The Wilkins review is in their hands. It is not as if you have to go and find it somewhere, it is 10 years old or it is not available. It is available. It is on a minister’s desk right now. I am asking that it be put in the hands of the parliament—not just the government but the parliament. I do not accept an explanation that just simply says, ‘We will go away.’ Today is when we asked for that report. It is available. The government is now saying that it is considering its position and will come back the next time we sit. We asked for the Wilkins review and we asked for it today and, frankly, I think it is a contempt of the Senate to refuse to release a document that is easily sought. I would understand this if it were going to take a long time to go back to archives and find something I was asking for. But I could walk down to that minister’s desk and get it myself now. It is not difficult. It is a political decision to defy the Senate.

The second document is one that relates to Minister Ferguson, who is undermining the government’s so-called position on emissions trading by circulating a document to members of the Business Council of Australia before a roundtable. It has gone out to business leaders and was circulated to a roundtable. It was putting a softer position than that advocated by the Minister for Climate Change and Water, Senator Wong. Obviously Senator Wong was not invited to that particular roundtable and I wanted to know—and I asked—whether Senator Wong had actually seen the proposition that Minister Ferguson was circulating to the coal industry and the big polluters. If the business community of Australia has got this document, then why can’t the parliament of Australia see this document? Why is it that the business leaders of Australia take greater precedence when it comes to the government and consultations on an emissions trading system than the community?

I rang the minister’s office and asked for the document on the day that it was reported. This is not as if it is the first time that they have known about it. I asked for that document and it was not forthcoming from Minister Ferguson. It has not been forthcoming from anyone else. Again, it is around there in Minister Ferguson’s computer bank in the office. They just had to print it off and bring it around here.
So this is not difficult. Both documents are clearly identified. There was a time frame at least long enough for them to get the documents here. The decision not to table them is, in my view, a contempt of the Senate. I just want to put on notice to the Senate that that is the Greens view of it and when the government comes back in a week or so with its reasons why it will withhold the documents—and I have no illusion about the fact that both documents will not turn up here in this chamber—we will go into a full-scale debate, noting the fact that the government is defying the will of the parliament. The numbers here in the Senate said, ‘Release those documents,’ and I really believe that the people of Australia through their elected representatives and through their parliament deserve to have them, and I will be moving to that effect constantly.

**RURAL AND REGIONAL AUSTRALIA**

Debate resumed from 14 February, on motion by Senator Nash:

That the Senate—

(a) notes:

(i) the challenges facing Australia’s rural and regional communities, and
(ii) that the Government is showing its contempt of rural and regional Australia, including through cuts to rural and regional funding programs; and

(b) calls on the Labor Government to continue the strong commitment of the former Coalition Government to rural and regional Australia.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (4.14 pm)—This is a continuation of the debate of February this year. The context of the debate at the time was about concerns that the opposition had about the continuation of the Regional Partnerships program, which was a very flawed program of the previous government. I am very pleased to say that, since that debate occurred, things have moved on very quickly. When I was speaking I was talking about the Rudd government’s commitment to rural and regional Australia, and I am delighted to see that this commitment is now very much in action across the country. In the time since the debate, which was in February—so it is six months or so ago now—we have been building on our work to drive a whole-of-government approach dealing with the problems that are confronting our communities, particularly our rural and regional communities. We have undertaken a national review of drought policy, and this review has a three-pronged approach to ensure that we understand every aspect of the impacts of the drought. The national drought review includes an economic assessment by the Productivity Commission on a climatic report on future drought events which is being conducted by the Bureau of Meteorology and the CSIRO. While these two investigations are of critical importance as we take a balanced and measured approach to the way in which we help rural and regional communities through drought into the future, they only make up two parts of the pie. The review is also investigating the social impact of the drought: how the drought has affected families, friends and communities.

An expert panel was established to ensure that the social component of the drought is being considered as part of the review. This panel is in the very capable hands of the AgForce Queensland president, Mr Peter Kenny. Hundreds of people have spoken to the expert panel about just how the drought has affected them and their families socially and emotionally, and a number of issues have been raised. They include the impact of long-term drought on mental and physical health, the flow-on effects of farmers under...
pressure to other local businesses, the stresses on families, particularly how this stress is affecting children, and the impacts on local volunteering as people are forced to look for more work off-farm. The panel has been travelling around Australia and has heard from farming families and churches, counsellors, health organisations, representatives of farm organisations and many more, and their feedback will be considered with written submissions before the panel reports in September.

So the social impact component of the National Drought Review is very important. It is also very important to my work as Parliamentary Secretary for Social Inclusion and the Voluntary Sector. There is certainly a risk, we know, of growing disadvantage in our rural and regional communities as we face a likely future of longer, more severe and more frequent droughts, so we do need to get the policy settings right when it comes to addressing disadvantage and social exclusion in our country regions. We need to make sure that we can provide the right assistance and support to Australians in regions emerging from drought. How can we help them to recover from the devastating emotional toll and economic toll that come from living through prolonged drought? Unless you have actually experienced it, you really do not understand how deeply embedded that is.

That is why the Labor government has begun to articulate its nation-building agenda. Through the 2008-09 budget, the Rudd government delivered on its election commitments to rural and regional Australia, especially in the area of climate change, an issue that has been completely occupying us in this chamber for the last two weeks. It occupies the discussion everywhere and it is of critical importance. We all know that we need to look no further than the crisis that is the Murray-Darling Basin, for example, to witness the enormous costs that we are beginning to pay from the impacts of the changing climate and a lack of commitment to making serious decisions.

So the centrepiece of the plan, as Senator Wong has so wisely and widely articulated, is to tackle climate change through the $130 million Australia’s Farming Future initiative, which is going to be funded over four years, with the first allocation from the 2008-09 budget. Other areas where Labor is delivering on its commitments to rural and regional Australia include the ongoing support for the EC-declared regions, with $760.9 million for EC assistance in 2008-09, $20 million to help our forestry industries prepare for the challenges of the future, including climate change, and new measures to fight weeds, which are a huge drain on the national economy and are also part and parcel of the aftermath of long-term drought.

We are seriously involved in a broad, whole-of-government approach to support our rural and regional communities. We have a $2.2 billion Caring for Country program, providing a new coordinated approach to natural resource management, and we are certainly looking to invest in the infrastructure of rural and regional communities. That was where the debate was left last time: the criticism of our decisions to reconnect and test the robustness of the proposals that were put forward under the Regional Partnerships program. The parliamentary secretary responsible for that, Mr Gray, has certainly done so. Testing the robustness of those proposals and honouring the project funding where contracts had been signed so that those projects could actually go forward has been a very genuine process. But there were many, many projects, as we well know, mentioned in the Auditor-General’s report that did not stand up to a robust test, and those projects we did not support. We did support the projects that were brought forward in the latter part of the year and early this year.
which were part of major social projects in communities around Australia, and we will continue to do so. But we have something else that has happened since then. With the Building Australia Fund, the announcement by the Rudd government of a nation-building agenda, we have an opportunity now to fund some of the critical social infrastructure that will underpin rural and regional community development.

In terms of the work within my own portfolio area, which is so close to the issues that were raised earlier in this debate, this week we announced millions of dollars of voluntary grants for community organisations. We have heeded the call of community organisations about the rising cost of petrol, we have included a capacity for petrol to be part of the costs that are reimbursed to volunteers and we have simplified the application process as part of our commitment to reducing red tape and making it easier for community organisations to get on with the work that they do best.

As well as that, we have started a process of consulting our community organisations around Australia. We are talking to them about the way in which we can develop a national compact. In that regard, one of the major members of the expert group that I have established to advise the government is Mrs Lesley Young, who is the National President of the Country Women’s Association. I know that there are many people who appreciate the work that the Country Women’s Association does in supporting rural communities and families that have been doing it tough for such a long time. I share and support the commitment that the Country Women’s Association does in supporting rural communities and families that have been doing it tough.

This government is totally committed to supporting rural and regional communities in Australia. We certainly know that we have much to do in that area. We know that there are ongoing impacts—that is, the economic, social and environmental impacts of economic change. We know we need to do something about investing in regional economic development, which is something that the previous government gave up on a long time ago.

We have a new Building Australia Fund, which we have been calling for expressions of interest in. It is, as I say, a national infrastructure program. And what are we finding? We are finding that there is a great interest among the members of the opposition in this fund. The member for Flinders, for example, has put in proposals for $266.9 million for projects in his electorate. The member for Paterson has put in for projects to the tune of $20 million for what he identified in his submission as a coalition government election commitment, bless him! Also in this process, the member for Gippsland, who has only been in the parliament five minutes, has just asked the government for $140 million for projects in his own electorate.

We know that what is happening here is that the government is having to pick up the pieces of an opposition that really has not committed to community infrastructure for a very long time. We are now dealing with opportunistic opposition members who are desperately pleading with this government to support proposals to the Building Australia Fund.

We know that we have a range—millions and millions, billions—of projects that people want to have funded. This is in a climate where, on the one hand, we have the opposition desperately pleading for projects that they believe are genuinely worthy in their electorates and support their rural and re-
ional communities and, on the other hand, we have an opposition that are prepared to do whatever it takes to undermine the government’s budget surplus—to undermine the budget measures that are going to actually deliver some of the funding that we want to put into this infrastructure fund.

We have a long-term infrastructure agenda, we have a commitment to rural and regional Australia and what we really need from the opposition is a commitment to travel down this path, talk the talk and walk the walk with us to invest in our regional communities. That is what we really need, and I expect that we will be talking much more about it in the future, because we know that spoiling the budget surplus for political gain is going to be to the disadvantage of our rural and regional communities in Australia.

**Senator JOHNSTON** (Western Australia) (4.27 pm)—Mr Acting Deputy President Trood, I do not believe I have risen to speak in this place while you have been presiding. Congratulations on your deputy presidency.

I want to talk to the motion and draw the attention of the Senate to what ‘ending the blame game’ as a mantra has meant for my state of Western Australia. We have had nine months of the Rudd Labor government. We have had 2020 talkfests, inquiries, summits, committees, reviews—we have had a whole host of things that have not actually produced anything, save for the fact that in regional Australia the very first thing the Rudd government did was to slash Regional Partnerships funding. For all of those small communities that require a fire station or a community park or recreational facility, the first thing the Rudd Labor government did was to undermine the quality of life in regional Australia.

The other thing that they did, which bears out their long-held and galling attitude towards the Australian agricultural community, was to say to farmers, ‘Because of global warming, we’re going to change exceptional circumstances criteria for drought funding.’ These are the two predominant bits of action that the Rudd government have actually done. If we look for instance at this chamber, the legislative flow through it has been a quite remarkable litany of rehashed coalition legislation that was left over from the Howard government. One or two seriously major bills, in addition to the budget papers, have come here.

This party of government, this Labor Party, has no plan or agenda. It is simply marking time while it thinks about what it is going to do. That is very, very dangerous in regional Australia because, for example, not making a decision with respect to water—and I pause to say that the Minister for Climate Change and Water is clearly out of her depth. To come in here, point opposite and say, ‘What are you going to do?’ really lets the cat out of the bag, and I will have a little bit more to say about that.

On emissions trading, the crazy formulas of gross revenue and the crazy structures that are sought to be imposed through the green paper have sent the business community in this country into a tailspin. The minister has become known as the company killer. This is the sort of stuff that really does worry one when looking into the future to when they actually start to do something. Pensioners have been left out of the budget. The computers in schools program is nothing more or less than a fiasco. I was in Balgo the other day and there is absolutely no chance that Prime Minister Rudd’s computers in schools program is even going to get there, because they do not have the infrastructure for a whole lot of computers such as the plan sets out.

The other thing was the restructuring of the car industry. That is being measured daily
by the number of jobs that Senator Carr has destroyed. That is the benchmark, the litmus test, of how well that minister is achieving his portfolio plans. We see the fiasco of truancy, the vacillation, the recycling of a Howard government policy—but, again, no real action. We all know that in education the Commonwealth has no constitutional jurisdiction. So this is window-dressing of little or no meaning, unless of course the Prime Minister is going to bludgeon the states with a significant reduction in education funding. That is the point: the states will not do anything unless they are threatened. We want to hear what the threats are all about. Then we have the fiasco of uranium mining. Three or four states and one territory are in complete opposition to a proper, professional, internationally respected policy. Lastly, we have—just off the top of my head—the fiasco in broadband. The minister promised that he would have broadband up and running within a matter of months. The whole thing is just in a black hole of fog through inability to come to terms with what is required.

No greater damage can be done through the incompetent, vacillating style of government these ministers and this Prime Minister bring to the table than in my state of Western Australia. Western Australia is virtually the only state, save Queensland, that is making any realistic and positive contribution to our national economy as I stand here now. The problem there is that, whilst Mr Rudd and his ministers sit back and allow the incompetence of Premier Alan Carpenter and his group of ministers to run rampant through Western Australia, the national interest is at risk. This is a very important state economy, but Labor ending the blame game has meant that we have a whole lot of fiascos.

I want to point to one particular fiasco that really distresses me. The policy potential index in the Fraser Institute’s survey of mining companies for 2007-08 sets out rankings for jurisdictions around the world that have high-potential mining regions. The latest rankings revealed that, although Western Australia is in the top 10 in terms of resource potential, we are slipping down the league ladder very dramatically when it comes to being a desirable place for companies to carry out exploration. In the international rankings of conduciveness for doing mining business, Western Australia has slipped from number 18 to number 25 in 2007-08, out of 68 destinations. Western Australia should in fact be first on that list—but, no.

The problem here is that we take Queensland’s and Western Australia’s resource- and revenue-generating capacity utterly for granted. There is no better example of the frivolously irresponsible state of mind of this Prime Minister and these ministers than this tax slug of $2.5 billion over four years from the Woodside joint venture. There are very, very few organisations and projects—not just in Australia but around the world—that could survive the commercial whack of $2.5 billion coming off the bottom line of their balance sheet. Canberra has simply reached into this organisation and said, ‘Thank you very much,’ without any consultation or formal engagement. I would describe it as a mugging from behind. The fact is that Woodside, to continue to be solvent and deal with this on behalf of its shareholders and partners, is obviously going to have to pass these costs on, both to its customers in South-East and East Asia and, more alarmingly, to the domestic consumers of Perth and throughout the south-west of Western Australia. That is the legacy we already have from Canberra after nine months—a delightful little gift from Mr Rudd to Western Australia—‘We’re going to jack your gas prices up because we want the money to spend in the eastern states.’ That is the sort of contribution that this government is making to regional Australia.
We have seen an almost comical situation arise with respect to the mining of uranium in Australia. We are an international laughing-stock now in terms of IPOs, finance and mining investment. The diversity of governance policy on this subject means we are little more than a joke. At their last national conference the ALP voted to allow uranium mining in Australia so long as the premiers agreed. No more stupid is that proviso than the Premier of Western Australia this week actually disclosing that he voted in favour of that uranium mining motion. He votes in favour of the motion and yet he does not allow his own state to engage in a reputable, safe and very profitable industry—not just profitable for the shareholders of the companies but very profitable for the state.

More importantly, in Western Australia most of the deposits are located near or adjacent to several Aboriginal communities. The Martu Aboriginal traditional owners of land covering the Kintyre deposit in the East Pilbara were not consulted on Mr Carpenter’s sudden reversal with respect to the banning of uranium mining. He proposes to do were he to win Saturday’s election. The Western Desert Land Corporation holds land including that covering the Kintyre deposit. The chief executive of that corporation, Clinton Wolf, said Carpenter’s announcement was disappointing. He said:

We strongly believe that uranium mining could be an opportunity for our people to generate equity and commercial benefit and importantly play an important part in the development of significant resources projects for this state.

When was the last time we heard the chief executive of an Aboriginal community out in the desert saying something like that? Clinton Wolf, you are a national champion, because Aboriginal people are crying out for something decent to do—crying out to be trained in an industry that is sustainable into the long term such that they can give their children some hope.

What have we got from the Premier of Western Australia and, indeed, from the Prime Minister of Australia? ‘We’ve ended the blame game’, and silence, as this incompetent state government simply rips the rug out from the potential that those Martu Aboriginal people had. Clinton Wolf went on to say:

This is an important intergenerational issue for our people, and it’s an issue that Martu should be able to consider and make decisions about in an informed manner, especially as a means of achieving economic and social outcomes for a group of people who continue to be underserviced by state government ...

Wolf added that the Martu wanted to generate their own income. Again, I say: congratulations and kudos to him. He went on to say:

By proposing to ban uranium mining, the premier and state ALP government are effectively robbing one of the most poor and disenfranchised people in this country of the right to earn a living and potentially achieve an equity stake in a major mining project.

There we have it: both a federal government which talks the talk about Aboriginals self-determination and a state government which is big on land rights and all that sort of stuff, just ripping the potential living possibilities out from underneath a group of people who are very interested in self-determination.

The other point I should make—not as important as the Martu people’s future—is that about $3.2 billion will be lost to Western Australia’s gross state product between now and 2030. We would have also avoided, through the export of uranium from Western Australia, 1.5 billion tonnes of greenhouse gases. There is the hypocrisy and stupidity of a Premier and a Prime Minister who simply cannot get themselves organised. The exporting of uranium is probably the single biggest contribution Western Australia could make to
the global fight against climate change. There is a significant, great and consistent demand for Western Australian uranium from world markets and from our traditional trading partners, who are all reliable and trusted people—China, Japan, Taiwan and South Korea. They are all hungry for uranium from Australia to help reduce their reliance upon high-carbon electricity from black coal and gas.

The Premier in his desperation in this campaign has sought to say that if we export uranium from Western Australia we will have to take the waste back. This is the most ridiculous, ludicrous and intelligence-insulting argument I think I have ever heard. He has been in full panic mode, making this ridiculous assertion that we would have to take back the waste. It is simply a gross misrepresentation—a representation he knows full well to be untrue. There is no precedent worldwide that supports this contention.

Can I quote Mr John Ritch, the Director General of the World Nuclear Association and former US ambassador to United Nations organisations in Vienna. He said:

Nations representing two-thirds of humanity are now using uranium to generate clean electricity, and each one is storing its small residual of waste in compliance with world standards.

He went on to say:

Nowhere has there been a proposal to ship wastes to countries fortunate enough to be uranium exporters, which obviously have sovereign control over their own imports.

Ritch added before concluding:

Any such fantasy is a scare-tactic by a politician looking for an issue.

Oh dear!

In the last few minutes I have, I want to briefly move away from that very embarrassing and disgraceful conduct by the Western Australian Premier—and, indeed, aided and abetted by the Prime Minister of this country—to what has happened to the people of Esperance. A particular mining company from the north-east Goldfields has been exporting lead through the port of Esperance. Western Australia has one of the largest, most skilled and most highly funded environmental protection agencies. It also has a very, very sophisticated mines department. It turns out that the lead was being packaged in a way that allowed the carbonate—and if people do not know what carbonate is, it is a flour-like substance that very easily disperses into the atmosphere—to contaminate the countryside. It was being transported through Kalgoorlie down to Esperance in such a way that the lead was actually streaming out of the rail wagons—in very, very minute particles, but nevertheless was being a contaminant to the surrounding countryside.

It so happens that Esperance has an absolute lead disaster. We all know that lead is principally very toxic and damaging to growing children. It gets into the system, affects the bones as they grow and causes severe damage—particularly, as I say, to children. There has been a report prepared on this industrial fiasco. So not only do we have a state government that is incompetent in administering carbonate, which is a known commodity that they should know better about—it has to be airtight, everybody knows that except the government and the EPA—but they have also done a very big report. They have commissioned a very large report and they are not going to release that report on the causes and the damage flowing from the event of that lead contamination, which is very, very severe, until after the election. This is the sort of contempt, this is the sort of subterfuge, this is the sort of arrogance that this state government in Western Australia has. And they make no bones about it. They have said that they have to put the price of electricity up because it has not been up for 15 years—the tariff has stayed the
same in Western Australia—but they are not going to do it until after the election. This is the level of contempt that the state government has for the people of Western Australia.

My state colleague and good friend Dr Graham Jacobs—he is a medical doctor and the member for Roe—has been down there in his home town of Esperance with his family and all of his community, fighting a lone battle to have some justice distributed to the community after this fiasco. Do you think he is getting any assistance from an embarrassed and incompetent state government? This is the sort of thing the federal government should intervene in. The state government is incapable of properly caring for its people. Residents’ spokesman Pam Norris said that locals felt they had taken on much of the task of cleaning contaminated houses and were frustrated by constant delays in the release of the Golder report. That is the report I was talking about. She says:

It’s like pulling teeth to get any results ... They are sitting on this data while we are living in this dirty town.

This is as low as it gets. And what do we get from the senators from Western Australia on the other side of this chamber? We get silence. We get embarrassed fidgeting. This is a state government that is riddled with scandal. It is rotten to the core. They have put children’s lives at risk in this town and will not release the report because it is damning—it has to be damning. This is the length and breadth of the subterfuge, the dishonesty and the contempt that the government in Western Australia and, by association, the Labor Party in Canberra has for regional people. I thank the Senate.

Senator COLBECK (Tasmania) (4.46 pm)—I rise to make my contribution to the debate on rural and regional Australia. To start with, I would like to look at some of the issues raised by Senator Stephens, particularly in her capacity as the Parliamentary Secretary for Social Inclusion and the Voluntary Sector. Senator Stephens spent a deal of her presentation talking about things like the Regional Partnerships program and the fact that the government were moving towards a new program.

While that may be the case, my understanding is that those programs are not going to be ready until 2009, and there is significant need for access to these funding programs in regional communities right now. While I understand it takes a government a little time to get its new priorities and its programs up and running, they have been in government for nine months now and it is still going to be 2009 when the programs are available for regional communities. Effectively, we have a 12-month hiatus or more in the availability of funding.

I think we all agree, and Senator Stephens commented, that members of the coalition will be advocating for projects through the process. I do not have a problem with that. That is what a member of parliament is elected for. They are elected to do that. I was disappointed to note during the previous government that I very rarely saw advocacy for projects from members of the then opposition, so coalition members can be congratulated for the fact that they are being quite proactive. They understand their local communities and their electorates and they are out there advocating even though they are not members of the government. They are out there, working for their local communities. That is what they are elected to do, and for Senator Stephens to criticise a member of a local community for doing that does make you wonder.

Senator Stephens made quite a deal of what was in the budget for regional communities. I would like to put on the record some of the things that were in the budget for re-
regional communities—and they do not necessarily make pleasant reading. There is $12 million of Medicare savings over four years taken from a pathology project for remote areas. Particularly given that Senator Stephens is the parliamentary secretary for social inclusion, it is not surprising that she did not mention it. There is also a $6 million reduction over four years in the budget for the National Mental Health Strategy. Having spoken to a lot of people in my state of Tasmania, particularly in rural and regional Tasmania, I can tell you that there is enormous stress, and this kind and caring government has taken $6 million out of the National Mental Health Strategy. It is another thing that this government has done for rural and regional Australia that reinforces the point of the motion that we are debating here this afternoon.

Half a million dollars has been taken from the Support for Day to Day Living in the Community program, so the numbers are starting to get up there. We have $12 million, $6 million, so we are up to $18.5 million—and this is just what has been taken out of the health portfolio in funding for rural and regional Australia. Funding for the Mental Health Services in Rural and Remote Areas program, which is specifically related to this particular motion, has been reduced by $15.5 million over four years. So we are now getting up there in excess of $30 million in funds that have been taken out of rural and regional Australia by this so-called caring and kind government. We go on to reduced funding for the Training for Rural and Remote Procedural GPs program: $30.5 million.

Senator Stephens, who is the Parliamentary Secretary for Social Inclusion and the Voluntary Sector, is saying what a wonderful job the government is doing for rural and regional Australia, but over $60 million over four years has been taken out of health programs for rural and regional Australia. Another $2 million has been taken from a COAG program for psychiatry training outside hospitals. Another $3 million has been taken from the Registrars Rural Incentives Payments Scheme. This government has taken an amount approaching $70 million out of health funding for rural and regional programs.

I am not surprised that Senator Stephens concentrated on the Regional Partnerships program. The Regional Partnerships program did, and the government’s replacement program will, when it comes online in 2009, provide very important funding for infrastructure in rural and regional Australia—in excess of $60 million. Particularly cruel is the funding that has been taken out of mental health programs in regional Australia. I am not surprised that Senator Stephens did not give any consideration to those particular programs that I mentioned previously. It really is a crying shame that the government has seen fit to take funding out of those critical programs at a time when we know that it is so tough in the bush.

Look at what is happening in my home state of Tasmania. It is interesting that the shadow minister for health in Tasmania, Brett Whiteley, and his colleague Rene Hidding did a tour of regional hospitals recently. They went to all of the regional hospitals, most of which are in the electorate of Lyons, which is the seat that Mr Hidding represents and the same seat that is represented in the Australian parliament by Mr Dick Adams. Mr Whiteley and Mr Hidding toured the hospitals at Rosebery, Beaconsfield, St Helens, St Marys, Campbell Town and Queens-town and those down the Tasman, and all of those hospitals are really quite concerned about the future of their facilities. We know that Beaconsfield is in a very precarious situation, and we have heard of the unfortunate circumstances that occurred there. But
the particular events that have occurred over the last couple of years at Ouse and at Rosebery really have created a significant level of concern amongst those regional communities about the provision of health services in their local communities.

At Ouse District Hospital we had the spectre of an elderly couple who had lived in that community all of their lives moved forcibly by the Tasmanian government to Hobart. They did not want to go and there was not necessarily a reason for them to go—except that the Tasmanian government had decided that it was time to close the facility, against the wishes of that community. The Tasmanian government moved this couple, who had lived in that community their entire lives and who were living in Commonwealth funded nursing places at the Ouse District Hospital, to Hobart. It was one of the saddest things I think I have seen for a long time, because it absolutely devastated these poor people. It was an absolute tragedy that the Tasmanian government did not have the compassion to look after this elderly couple who had lived in that community their entire lives. Now that the couple have passed on, their family are justifiably quite shattered by the approach taken by the Tasmanian government.

But what was Minister Giddings’s response to the tour by Mr Whiteley and Mr Hidding? As I said, Mr Whiteley is the shadow minister for health and so he would obviously have an interest in these regional hospitals. All of the facilities that I mentioned are in the electorate of Lyons and so, as the local member, Mr Hidding would have a legitimate interest in those facilities. In her response on the radio, Minister Giddings was quite indignant that this tour was being undertaken by Mr Hidding and Mr Whiteley and said, ‘Now I am going to have to go and visit those hospitals myself.’ What an inconvenience! Because the local member and the shadow minister for health had been out and consulted directly with hospitals and communities in regional Tasmania, the minister was going to be inconvenienced by having to go and talk to those communities herself. What an absolute disgrace that something like that might be said by a minister of the Tasmanian parliament.

The Tasmanian parliament has a bit of form, I have to say. Many people would not necessarily recognise it, but there are areas in my home state of Tasmania that are in really deep drought at the moment. They are hurting so badly that what is occurring is really quite terrible. We had the spectre of farmers from the Clyde irrigation area here in Canberra over the last couple of days effectively begging the Australian government, particularly Minister Garrett, to give them some water. They know where there is some water. The Tasmanian government supports them having water. They actually thought they had a meeting with Minister Garrett. They had made their forward plans. They had come to Canberra thinking, ‘Here’s our opportunity to put our case directly to Minister Garrett,’ only to be disappointed by a meeting with an adviser.

These farmers, who have made huge investments in the infrastructure in their region, are getting a pretty raw deal. They are being pushed around a bit by Hydro Tasmania. A proposal has been put together by Hydro Tasmania to be submitted to the Australian government. The money is available after a commitment by the government at the time of the election. I congratulate them on that. That is a very positive move, and I will talk more about that later and about what is occurring with some of the water developments in Tasmania.

The proposal that has been put up by Hydro Tasmania provides them with really a pittance in respect of water supply. It is
really disappointing. These farmers have been farming in that area for many years. My understanding is that the Clyde system is the oldest irrigation system in the country. It was the very first one built. These guys are effectively out of water and they are a few weeks away from having the Clyde River run dry. I know people on mainland Australia do not necessarily associate Tasmania with those sorts of conditions, but things are pretty tough down there at the moment.

I appeal to Minister Garrett through this process to consider making that allocation of water to these farmers so that they might sustain their businesses. We know there are issues associated with the release of that water but, as I have said, the Tasmanian government is on the record as supporting the release of that water. There has been no word from the Tasmanian government now that we have the cooperative federalism and they have agreed not to criticise each other for everything.

You, Mr Acting Deputy President Barnett, will understand this, as someone who has travelled extensively around the electorate of Lyons. In the southern Midlands of Tasmania things are particularly dire at the moment. EC has been declared in that region until 31 March. We know there are issues associated with the release of that water but, as I have said, the Tasmanian government is on the record as supporting the release of that water. There has been no word from the Tasmanian government now that we have the cooperative federalism and they have agreed not to criticise each other for everything.

About four weeks ago, at about the same time we received the call for assistance for those 45 sheep, we had snowfall through the central highlands of the southern Midlands of Tasmania. The temperature dropped to the extent that one farmer found 60 of his breeding merinos dead when he went out the next morning. It was not because they had been shorn but because their condition was so low because of a lack of feed. They just could not handle the conditions. That demonstrates the situation in southern Tasmania at the moment.

The Tasmanian Premier took his community cabinet to Oatlands, which is in this region. He made a big deal of the event. He rolled into town with all the big, shiny cars, took over the council chambers and assembled his cabinet. At the end of the occasion he announced $145,000 to fund the Rural Alive and Well program. This program, which I understand is operating in Western Australia, has been picked up by a fantastic chap in the southern Midlands to prevent suicide in what is really a tough area. It is so tough that not only are the farmers struggling but the leaders in the community are strug-
gling. Those who would normally support the community when times are hard are doing it tough.

One community leader who has worked to get the Rural Alive and Well program up and running heard this announcement on Sunday, 10 August—and it was supported by a press release by the Premier that came out on Monday, 11 August, which announced a $145,000 grant for the Rural Alive and Well program. This gentleman raced down to the council chambers and said, ‘Isn’t it fantastic that we have another $145,000 for our Rural Alive and Well program?’ The general manager had to tell him, ‘Sorry, it is the same $145,000 that was announced back in April and that we have already started spending.’ I cannot think of a more callous thing for a Premier of a state to do to a community that is doing it so hard than to reannounce funding.

Last week, in conjunction with the CWA, we called for some additional funding to assist rural families in those communities. I give the Tasmanian government credit for the fact that they came up with an extra $40,000, but that will last one month. Through that process and through that time I have not seen or heard one sound from a federal Labor member from Tasmania. The local member, Dick Adams, has not been seen or heard and none of the other Tasmanian senators has been seen or heard. It is an absolute disgrace that they are not actively out there working to support the farmers who, quite clearly from the words I have put on the record today, are doing it so tough. In conclusion, I urge farmers to contact Centrelink and not to self-assess. I think that is a very important part of this process. (Time expired)

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.06 pm)—It is a good opportunity this afternoon for me to speak against this motion, the debate on which was resumed in the Senate this afternoon. Labor absolutely understands the challenges facing Australia’s rural and regional communities. Whilst I am not an expert on the Tasmanian drought, I know that Mr Adams particularly is very aware of the issues facing Tasmanian farmers, particularly in his electorate. I am quite sure that he would happily receive representations on behalf of his constituents when it comes to dealing with the drought that we are very well aware areas of Tasmania are suffering from. But I do speak against the other elements of the motion.

In November last year the Rudd government made a commitment to govern for all Australians, and that is what we will do—all Australians, whether they live in regional areas, rural areas, remote areas or the cities. At the last election we went to the people arguing that there was much to be done in order to secure a prosperous future for Australian rural communities. After 11 years of Howard government inaction—and, can I say, rorting—Prime Minister Kevin Rudd and Labor recognised that there was a need for new leadership and a new direction in the agriculture, fisheries and forestry areas, and also in terms of regional development. I will deal with the latter shortly.

The Rudd government’s commitment to regional Australia is about building a strong economy through responsible economic management. We hear the bleating on the other side on the question of economic management—and it can only be regarded as bleating. In the Senate this week we saw the raid on the surplus by the other side. History will show that what has happened in the parliament this week absolutely underlines the fact that the Liberal and National coalition members can never describe themselves as responsible
economic managers. Only those who sit on this side can carry that tag.

The Rudd government’s commitment to regional Australia is about building a strong economy through responsible economic management. On 24 November 2007, the Australian public said ‘no’ to a government that was willing to spend taxpayers’ money on anything that would buy a vote. The previous government’s spending had been growing at an unsustainable rate and Australian taxpayers have paid for it with no fewer than 10 consecutive interest rate rises.

Due to this government’s good economic management, interest rates have now fallen for the first time since December 2001. If passed on in full, this will put an average of more than $146 per month back into farming families’ budgets, or around $1,755 per year. That is real money that farmers on average will receive if the interest rate cuts are passed on in full.

Unlike the previous government, the Rudd government has a strong commitment to ensuring high standards of public administration, accountability and transparency. The Rudd Labor government is committed to investing in regional Australia so that it can meet the challenges of the 21st century. This government’s new vision for regional Australia is based on building partnerships to ensure the government is responsive to local priorities and needs, but it is underpinned by major new investments in the areas of infrastructure, broadband, housing, health care, education, skills development, innovation and, most importantly, water. Our government is working with rural communities. We are bringing fresh ideas and a new approach that will harness the potential of our regions and develop them for a better future.

As part of our long-term plan, the Australian government will deliver the new Regional and Local Community Infrastructure Program from next year to encourage economic development by investing in local infrastructure. In line with the Rudd Labor government’s national approach to infrastructure investment, our new program will be accountable, it will be transparent and it will be based on community needs. To ensure that the program is developed properly and reflects the needs or regional communities, we will be consulting widely with the community.

The new Regional and Local Community Infrastructure Program and our Better Regions election commitments will replace the Sustainable Regions and Regional Partnerships programs, which the Australian National Audit Office discredited last year as having fallen short of an acceptable standard of public administration. I have only been in this place for nine years but in that time I have read many ANAO reports and none of them have been as big as that report or as critical of any government department or program as that particular report. In that report, the Auditor-General found that the grants were approved by ministers before full applications had been submitted. Ministers overruled departmental advice and gave grants for no more apparent reason other than the fact that the money would be spent on marginal coalition seats. They were buying votes. More than one-third of the programs’ money was pumped into 10 rural coalition seats, including the seat of Mr John Anderson, a former minister responsible for the Regional Partnerships program. An amount of $4.6 million was earmarked for 22 projects in the electorate of Lyne.

The government, though, will honour all existing contracts under the Regional Partnerships and Sustainable Regions programs. But unlike the National Party, in particular, the Rudd government will deliver properly for regional communities. The fact is, the Nationals in particular said and did anything
in a desperate bid to get elected. They made promises they were never going to keep.

There are a number of other investments that the Rudd Labor government is making in regional communities. We have $176 million to honour our election commitments through the Better Regions program to invest in the revitalisation of towns, major sporting venues, community centres and facilities; $1.9 billion in financial assistance grants for local government; and we will fund critical rural medical projects under the Rural Medical Infrastructure Fund.

In the other place the government has established an inquiry into the Audit Office report and on future directions for regional programs. We have to use the report to ensure that mistakes that happened, particularly under the watch of Parliamentary Secretary De-Anne Kelly, and other ministers of the previous government, never happen again. The Rudd Labor government will deliver up to $74 million for a new Regional Development Australia network to provide genuine engagement with regional communities. It has been a pleasure working with the organisations in Townsville and Cairns in order to ensure that their concerns and their issues about how it will be established are promoted. AusLink 2 commitments will deliver more than $10 billion for rural and regional roads.

We take rural and regional infrastructure extremely seriously, and there is no clearer indication of that fact than our first budget. In our first budget we put aside $20 billion for the Building Australia Fund—$20 billion to undo 11½ years of neglect of infrastructure in this country. Worse than all of the past neglect of those opposite is their current attempt to raid the Building Australia Fund. Every cent they knock off the surplus comes out of the Building Australia Fund. That is what is going to happen. Every time they block a budget bill they block further funding for national highways and rail networks that service rural and regional Australia. Whenever money is going to be taken out of the budget, those opposite need to understand it has to be found somewhere. We are a responsible economic management team and we intend to make sure that the budget is balanced. So every time you take some money out it has to be found from somewhere else.

There is a lot of work happening in primary industries. I advise the Senate that Labor is committed to securing a prosperous and sustainable future for Australia’s $38 billion primary industry sector. We heard from Senator Colbeck before about the drought in Tasmania. We know that the continent we live on is the driest continent in the world. One of the biggest challenges that this country has ever faced is in dealing with the reality that climate change is upon us and with the immediacy of the fact that the Murray-Darling has been in drought for such a long time. But the reality is that we have to deal with climate change not only in the immediate future but also for the medium and long term.

This is a challenge that, I am afraid, those opposite for the last 10 years simply avoided. It was really only in the last eight to 10 months of the previous government’s life that the former Prime Minister even acknowledged that climate change was in fact an issue. If you leave your head in the sand that long, of course you are going to be behind the eight ball. But can I say how proud I have been of our government and the way that we have seriously engaged with rural communities, trying honestly and openly to address the fact that the water in the Murray-Darling is not enough to do what all of us would like to do with it.
I commend Senator Wong on the work that she has done to face the hard questions and make sure that we are making the right decisions. She is going through the process methodically but, most importantly, honestly with rural communities. This is not about putting $50 million together, as the opposition leader is suggesting, to fix the problem. A long-term solution has to be found.

Senator Ferguson—We didn’t say it’d fix the problem; we just want to relieve the hardship.

Senator McLUCAS—We want to relieve the hardship too.

Senator Ferguson—That’s why they need the $50 million.

Senator McLUCAS—Senator Ferguson, the Murray-Darling is not like a pipe from a tank to a tap. If you put water in there it will not necessarily come out somewhere else. That is the simple fact. I commend Senator Wong for the work that she has been doing in order to deal with the very difficult circumstances faced in the Murray-Darling Basin.

Let us go to the question now of the Regional Partnerships and the Sustainable Regions programs. According to the ANAO report, seven days before the 2007 election caretaker period began, the previous government approved 32 projects and 28 of those were in coalition electorates. Before the 2004 election, in 51 minutes Parliamentary Secretary De-Anne Kelly spent $3.3 million approving 16 projects. I quote from the ANAO report that was released in November 2007:

... the manner in which the Programme had been administered over the three year period to 30 June 2006 examined by ANAO has fallen short of an acceptable standard of public administration ...

That is a damning comment from the ANAO, and those opposite know it.

In my area of North Queensland we had a particularly difficult program. It was a Sustainable Regions Program which was a commitment from John Anderson, when he was the minister, in recognition of the difficulties in structural adjustment that were occurring, particularly in the tobacco industry but also in other industries on the tablelands. Seventeen and a half million dollars was allocated to the Atherton Tablelands west of Cairns in order to invest in diversification, building the economy and getting the tablelands back on track.

I have never seen such a debacle. It was the work that the people on the tablelands did in bringing to our attention the appalling lack of accountability that was occurring up there that allowed some scrutiny to be placed on this particular program. Nearly $18 million was allocated. It was really only in the last two rounds of allocations that I think there was good investment in job creation, in true economic development.

Early in the piece, half a million dollars was allocated to the Mareeba wildlife park. You have to ask what sort of due diligence was done in order to allocate half a million dollars. It was six weeks after that money was allocated that the park went into receivership. We had African animals not being able to be fed. It was support by people from Kuranda, Mareeba and other Atherton Tableland communities and even from Cairns that kept those animals alive. What sort of due diligence gives half a million dollars of Australian taxpayers’ money to a company that goes into receivership six weeks later? I am pleased to report to the Senate that the park has now reopened, and I commend those who did that work. But, to be frank, it put the whole operation under a very big cloud for a very long period of time.

Funding of $1.2 million was allocated to a company called A2 Milk. This is a company that had as one of its advisers a gentleman who subsequently went to work for the par-
You have to wonder where the conflicts of interest occurred in such an incredibly bizarre relationship between the company and the parliamentary secretary’s office. It was in fact a ghost project. It had no basis in fact. There was no project to give the money to, but money was in fact allocated. The government’s own local advisory committee advised against the allocation of funds. They warned about the state of the project’s finances but they were ignored.

I could go through a range of inappropriate funding that was given to the Atherton Tablelands. I have to remind the Senate that quite a substantial amount of money was given to a hotel on the main street of Atherton, a hotel that had dubious events, in my view, occurring on Friday nights, with people serving alcohol in various states of undress. But quite an amount of money was given to this particular hotel in order to build a convention centre when we and the other hoteliers knew that there was simply not the room on that site to build a convention centre of any reasonable sort. That money was given and the owner of that hotel has built an extension. If you would like to call it a convention centre you can, but I wonder if the ACCC would look at you for false and misleading advertising.

But let us finish on a positive note. Can I commend the work that has happened in the nine short months that this government has been on the benches. The Prime Minister announced today that the Australian government will provide $95 million towards the construction of the Townsville port access road. The Townsville port access road is real infrastructure that will truly help the mining community but particularly the beef industry by filling in the missing link between the main highway and the Townsville port. It is something that we have been calling for for many years. I have to say, it was on the urging of the then shadow minister for roads in the 2004 election campaign that we actually got it onto the agenda, and now we are going to do it. (Time expired)

Senator FERGUSON (South Australia) (5.26 pm)—What an extraordinary contribution by Senator McLucas. I listened carefully from the start of her speech, and what a wonderful start: ‘The ALP absolutely understands the problems facing rural Australia.’ What a statement, when you see the effect of the Rudd government and the cuts it has made since it came into office. We hear Senator McLucas putting all of her faith in new leadership, new direction, a strong economy and economic conservatism, and then we hear Senator McLucas talking about the fact that, because of the Rudd government, interest rates dropped yesterday, the day before or whenever it was. Because of that interest rate cut, farming families and others will have $246 a year more to contribute to their household budgets. If those farmers who are in dire need in the parts of South Australia that I represent go along to their bank manager confronted with a $100,000 fertiliser bill because of the cost of fertiliser these days and they say to their bank manager, ‘But I’ve got this extra $246 that I can contribute,’ I am quite sure the bank manager will say to them: ‘Yes, $246 will do. I’ll lend you another $100,000.’ That is the sort of understanding that is required in rural Australia, not a bland statement that the government absolutely understands the problems facing rural Australia.

I have lived in rural South Australia all of my life. As a matter of fact, I am proud of the fact that for most of the 16 years or more that I have been in this place I was the only senator from South Australia that lived outside of the metropolitan area. When it comes to rural communities, particularly throughout South Australia—
Senator Farrell: Remember Geoff Buckland?

Senator Ferguson: I remember Geoff Buckland, Senator Farrell. He did live outside for some time, but I said ‘for most of the time’.

Senator Farrell: interjecting—

Senator Ferguson: He did, but, for most of the 16 years I have been here, I have been the only one. I do not want to stretch the point too far because I remember former Senator Geoff Buckland.

Rural communities are amongst the most resilient people I have ever come across in my life. People ask: ‘Why is it so much different living in the country?’ Most people who live in the country, except for those who happen to have a job in the public service or who are schoolteachers or people like that, face a lifetime of uncertain income. This has been highlighted in the last four or five years with the ongoing drought that has affected many parts of Australia and many parts of my home state of South Australia.

I am very pleased to be able to report that there are some parts of South Australia this year that are enjoying a good season. I happen to live in one of them, and you do not know how grateful the people of that community are that for the first time in 10 years they look like having an excellent season—although the season has not finished yet. But there are still large areas of the Eyre Peninsula and other parts of South Australia that are hanging by a thread. And those rural communities are the ones that are not understood by the Labor Party.

We heard Senator McLucas complain about grants that were mostly given to marginal coalition seats. There was a good reason for that—the Labor Party did not hold any of them. If the Labor Party had held a few of those marginal seats, they would have found that they were getting the same grants.

In the last parliament and the parliament before, it was impossible not to give most of the grants to coalition seats, because most rural seats were held by the coalition.

The drought, the poor seasons and the downturn in the rural economy have an ongoing effect that is very difficult to stop. One of the things that the ALP does not understand is that, when you have a downturn in the economy, you have a drop in population in all of the smaller rural and regional areas and it has a cascading effect. Once you get a drop in population you have a drop in the number of people who are around to have children who attend the schools, so the number of schoolteachers drops. The local chemist no longer finds their shop viable. You are lucky if you keep your hospital and you are lucky if you keep your doctor.

So you have this enormous ongoing effect on rural communities who over the past five or six years in particular have suffered from this downturn. Yet Senator McLucas says that the ALP absolutely understands the problems facing rural Australia. The ALP understands the problems so well that we had a state Labor government in South Australia that wanted to close more than half of our country hospitals! That was an unbelievable decision but, thankfully, because of public concern, mass rallies and the strength of rural communities standing together it looks as if that decision, I hope, will be reversed in the future. I do not blame governments for trying to do some rationalisation or to improve the health service, but at least it could be done in consultation with the local medical services and the hospitals concerned.

In her comments Senator McLucas one minute accused us as a government of neglect over 12 years and, in the next breath, accused us of spending too much on rural grants. There are a number of things that I would like to mention today, particularly in
relation to the comments made about new leadership and new direction for Australia’s rural communities. Let me highlight a couple of the very successful programs that were put in place by the previous government that this government has treated with disdain.

Let us talk first about FarmBis. It provided assistance for primary producers and rural land managers to undertake training activities in how to build businesses and in natural resource management skills. Why wouldn’t you want rural people to learn more, to receive training, so that they can help themselves and then not require government assistance to do all of those things that they need to do? The former government used this program to assist over 165,000 farmers, fishermen and land managers. So what did this federal Labor government do? It cut it by $24 million. The ALP says it will save $97.4 million over five years, but I ask: at what cost will it be to the primary producers who will no longer receive this important training and education?

Then there was the Advancing Agricultural Industries program. This was a program that was aimed at helping primary industries develop their self-reliance, their resilience—which I have already talked about—and their ability to efficiently manage change. Through this program industries could identify challenges and opportunities and address them by developing and implementing industry led strategies. The coalition government assisted over 35 industries and 700 people. The program only commenced on 1 July 2007, but it helped that many people. What did this ALP government do? It cut $26.3 million out of that program which had proved so successful over a 12-month period.

We heard Senator McLucas talk at length about Regional Partnerships and the Growing Regions programs, which have been replaced, of course. The ALP abolished the Regional Partnerships program of $236 million and the Growing Regions program of $200 million, thereby saving $436 million in the budget. These partnerships were designed to assist communities in access to services from community planning to structural adjustment and strengthen communities to increase the opportunities for these people. I ask Senator McLucas to go to any of those areas which received grants that helped them to train to improve their future and see whether or not they appreciated those grants and put them to good use.

The government has replaced those programs with its Better Regions program. How much money was allocated? There was $176 million allocated, which is already committed to funding Labor’s election programs. So no new money will be available for regional projects until late 2009. There has been a cut of $260 million from the Regional Partnerships program and the Growing Regions program and yet Senator McLucas would have us believe that this is going to help rural communities. I do not know any community that can be helped by cutting $260 million out of programs that are designed to help people to train themselves and better educate themselves for the future.

Then we come to the CSIRO and other agricultural research. We heard Senator Carr waffle on today about the CSIRO and what a wonderful job he has done in appointing a new director, and I do congratulate the new chief. But at such a crucial time when rural communities need help in adjusting and adapting to drought and the so-called climate change that these people are saying is affecting these communities so much, the closure of two regional CSIRO centres conveniently placed to investigate and develop trials in those environments is absolutely absurd. We have Mildura and Rockhampton, which are two rural CSIROs—
**Senator McLucas**—Tell the truth: you were going to shut them yourselves.

**Senator FERGUSON**—Senator McLucas, I am telling you nothing but the facts: your government decided to close these facilities at Mildura and Rockhampton. Research is needed to tackle rising agricultural input costs. Look at what has happened with diesel, fertiliser, herbicide and pesticide costs, which my colleague Senator Heffernan knows about all too well because of the inquiry that is going on. His work is to be appreciated in this area.

How are farmers going to produce cheap, quality, environmentally productive food in a changing climate without the research that is required to make sure that this is possible? The potential inclusion of agriculture in the government’s emissions trading scheme reinforces the need for stronger resources in science and research to enable rural and regional communities to best cope with such a situation. A hundred scientist positions and $63 million have been cut from the CSIRO research budget. That is this federal government’s response to the problems that face rural primary producers and others today. The coalition had a $54 million National Food Innovation Strategy. What did Labor do? They cut $20 million off it. We have a most irrational reduction in the spending on rural and regional communities.

There are a couple of other areas that I want to mention in the time available. How on earth could a federal government that pretends to be doing all it can for climate change axe a volunteer youth development and environmental training program which 18,000 young Australians have participated in and which has planted 14 million trees. I am talking about the Green Corps. How could a government axe that in all conscience? It was one of the most successful programs that the previous government put in place—planting trees, training young people, developing youth and the environment. The majority of the Green Corps projects in South Australia have been located in our rural and regional communities. What has this government done? They have axed it with no prospect of it being replaced.

The other area that I want to talk about briefly is the Investing in Our Schools Program leading to a smarter Australia—the education revolution. The Investing in Our Schools Program was one of the most successful programs that the previous government put in place and a third of the $1.2 billion invested in that program went to regional Australia. It has been replaced with a one-size-fits-all computer pledge. Communities in the previous program were able to identify their own priority area of need at their schools and apply for funding for it. Now, they can only get computers. As well as that, they are asked to cover the extra costs associated with the computers. These communities that are doing it so tough are being asked to fund the extra costs. I ask you, what is the use of computers and internet broadband access to many rural and regional communities when the proper infrastructure is not even in place? What is the point?

If you had left the money in the Investing in Our Schools Program, you might have supplied what the communities required instead of what this Prime Minister said they needed. Probably, he has hardly visited any of the rural and regional schools in Australia and yet he tells them they all need a computer for each child—which I think is now one computer between two children. So we have this enormous cut in the spending on regional and rural schools. None of these policies are going to help any of our rural and regional children and their communities to do all of the things that they hope they
will be able to do to be a part of regional development and a sustainable future.

I support totally the motion moved by Senator Fiona Nash that has been put to the parliament today. There have been a lot of contributions but I go back to the first comment that Senator McLucas made, which was that the ALP absolutely understand the problems facing rural Australia. They have no idea. Perhaps if they spoke to people who live in rural and regional Australia, we might get a better outcome.

Senator McLucas—Like me.

Senator HEFFERNAN (New South Wales) (5.43 pm)—Like me, thank you, Senator McLucas. There is not actually anyone from the government who lives in and/or makes a living from the bush, with great respect, but that does not mean to say that some people that represent in a ministerial sense are not having a go. It is a great pleasure for me to talk about the challenges for rural Australia and I intend to define some of the issues that need to be fixed. The greatest challenge facing rural and regional Australia without a doubt is the changes to the planet and the way they are going to affect rural and regional Australia.

Even if you believe a quarter, a fifth or 10 per cent of what the scientists are telling us—all science has vagary, all human endeavour has failure—in 50 years time, 50 per cent of the planet will be water poor. This is on the assumption that we are going to grow the population from six billion to nine billion; there will be a billion people unable to feed themselves; 30 per cent of the productive land of Asia will disappear, where two-thirds of the world’s population is going to live; the food task is going to double; and, at the top of the actuarial assumption on the science, 1.6 billion people will be displaced on the planet. If you bring that down to the science on Australia, the scientists are saying that in southern Australia, and particularly in the southern parts of the Murray-Darling Basin, there will be a decline in the run-off of somewhere between 25 and 50 per cent. That relates to between 3,500 and 11,000 gigalitres less water in a run-off that is presently 23,000 gigalitres, which is 6.2 per cent of Australia’s run-off.

With regard to reconfiguring rural and regional Australia in the face of climate change—I am not interested in what causes climate change; there has been too much debate on what is causing the changes in the weather and whether it is a 10-year or 20-year cycle; I am interested in what we are going to do about it, which is why I talked the previous government into the northern task force. Let us talk about cutbacks. The first cutback that came to my attention was the $20 million we put into the northern task force. They took all but $700,000 out of the northern task force and left it to waddle on its own. It has not had a meeting since we lost government. The great challenge for Australia is to continue to be what it has been in the past: the best place on the planet to raise a family, breathe fresh air and drink clean water. Part of that is adjusting to the signals that Mother Nature is sending us. Mother Nature is saying that in the next 40 years the northern parts of Australia are going to be greatly enhanced, in a slightly anticlockwise direction, and southern Australia is going to be seriously disadvantaged. So what we have done in the new government—and it is an insult to not only rural Australia but the greater family of Australia—is taken the budget away from the northern task force. That is a pretty smart plan!

Senator McLucas—Shut down your task force?

Senator HEFFERNAN—As I said, Senator McLucas, there is not a person in the Labor Party, in the government, who lives...
and/or makes a living in the bush. Part of what you have done is taken away what is the flagpole of Australia, the very mast of Australia, in new technology and the future for irrigation: Carnarvon. Carnarvon wanted—and we agreed and approved—$1 million to put new joiners on their pipes, for their pressurised system. Every irrigator in Australia should either go to Carnarvon or know about Carnarvon to know where the future lies. Carnarvon uses the latest and greatest in Israeli and Spanish technology. They draw 11 gigalitres—11,000 megalitres—out of the Gascoyne River. They divert 3½ gigalitres of that water—and you will notice I am not using any notes; I do not need to read this, I know it—to reticulate the town of Carnarvon. They use 8½ gigalitres to supply the farmers there. The farmers there do not measure their water in gigalitres or megalitres; they do it in kilolitres—it is that precious. I delivered to the minister’s office today a paper I wrote—in 2002 which was the ‘gumboot story’ about how, if we did not move with the times, we would have had to move Adelaide and deal with paddy rice—and I will come to that in a minute—and furrow cotton. But with 8½ gigalitres of water, Carnarvon produces $60 million worth of income from things like tomatoes, lunch-pack bananas, table grapes and capsicums. If you were in New South Wales with that 8½ gigalitres of water, you would produce $3 million worth of cotton. Carnarvon produces $60 million worth of produce.

If you go up to what is a great frontier for Australia, the Ord, with 40 times that amount of water—335 gigalitres of water—you will see they produce the same income, in a very old-fashioned and inefficient way. To their great credit, they withdrew the tender document for Ord stage 2, because it was a lazy document. As the chairman of the task force under the previous government, I said, ‘By March of this year we’ll have you sorted and you’ll be underway again.’ Well, there has not been a stroke of advancement for Ord stage 2. I went up there and I could not believe it. ‘Here is 14,000 hectares of country,’ the Ord tender document said, ‘and here is 335 gigalitres. What am I bid?’ That is all it said. It was a lazy document. There was no price signal for the price of the water and no disconnection between the land and the water. If you were a smart bloke who wanted to do at the Ord what they do in Carnarvon, you would not get paid for it; you could not separate your water to pay the bank for the technology. I said to the government at the time: ‘What arrangements have you made with the Northern Territory? Where does the drainage for Ord stage 2 go?’ They said, ‘It goes down the Keep River.’ I asked, ‘Where’s the Keep River?’ They said, ‘It’s in the Northern Territory.’ I asked, ‘Have you had a discussion with the Northern Territory about the sovereign issues of the bank?’ They said, ‘No, we were going to leave that up to the developer.’ That would have been some guy from the Gold Coast, with a pair of white shoes. So, fortunately for us, they withdrew the document. Carnarvon, as I said, is the hope of the future for Australia’s development of food technology.

We are at the present time in an overallocated regime in the Murray-Darling Basin, which, as I say, has 23,000 gigalitres of runoff, which is 6.2 per cent of Australia’s runoff, trying to do 70-odd per cent of Australia’s water farming in a situation where we have completely overallocated. In fact, we are about to impose a serious fraud on Australia’s taxpayers because we cannot get the Queensland government, who are a bunch of cowboys, to be compliant with the National Water Initiative. We are about to issue licences on the Condamine-Balonne based on earthworks where there was no environmental planning, which was the worst of the
thinking of blokes like Russ Hinze in his time. By the way, all governments of all persuasions for all time have cocked up water planning. Everyone is to blame. We are about to issue a series of licences up there in full knowledge that we are going to buy them back. We are about to issue the biggest water licence ever issued to an individual farm in Australia—469,000 megalitres. Co-signatory and co-beneficiary of the licence—on the licence in the draft plan—is the chairman of the ministerial advisory body which is advising the government on how to issue the licences. It is a serious fraud on Australia’s taxpayers.

I sympathise with the government on what to do about it. I know what I would do about it: I would simply go up there and say to the Queensland government, ‘Halt the process; let’s do a full environmental study into the lower Balonne.’ The lower Balonne is a unique catchment that separates itself into five rivers and two creeks which eventually, after the flood goes overland, finish up back in the river and contribute to the Darling. But—as with Toorale station, which is at the junction of the Darling and the Warrego—we are talking about buying a farm to get some water. It is a fraud. God help us!

Going back to Carnarvon, Carnarvon needs $1 million to fix up its pipe system. It is the most efficient irrigation system in Australia. It is a beacon of technology for the planet. I do not know why, but the present government has withdrawn the $1 million they needed. I am pleading with the government today—and, I have to confess, I have rung the minister, because I only became acquainted with this yesterday—to revive the $1 million to help Australia’s farmers while we are down here making this false argument on the Murray about the lakes et cetera.

This time last year, I wrote to the previous government saying, ‘This time next year’—which is now—’we’re going to have a doomsday scenario in the Murray,’ because last year the snow did not actually melt; it evaporated. We are now at a doomsday position, and it shows itself up politically at the bottom of the river. But what is happening at the bottom with the lakes is happening all the way up the system. We have doomsday all the way up. At Leeton the rice farmers are on their fourth failure. If there is not any water, there is no magic formula. Everyone in here keeps talking about—the minister spoke yesterday about this—buying water. They keep talking about water. What is water? They are talking about doubling the price of buying back entitlements. Buying back entitlements will return no water to the system. You have to buy allocation. This is dreamtime stuff.

So what are farmers up to for the future? What are the challenges? Farmers face global cartels in fertiliser, chemicals and fuel. We have the ACCC. I rang Graeme Samuel the other day, and to his credit he took the call. I said: ‘Sorry, mate, that I had to say that you’re as useless as tits on a bull, but you were. You didn’t go looking.’ Here is a docket from a resupplier in Queensland. This supplier is charging a sugar farmer who has bought fertiliser, for which the price has trebled in two years, 18 per cent a month—not a year—interest. The reason the reseller is charging the grower that is that Incitec Pivot are charging the reseller 17 per cent a month interest. And the ACCC does not think there is anything wrong with that? They are not looking too hard.

The great challenge facing not only farmers but the planet for the future is how we are going to feed ourselves. The world has been modelling future energy requirements, and we have this false argument about uranium and nuclear power. I chaired the oil inquiry. The situation was quite apparent, as it was in the wine inquiry. The wine inquiry took 20 minutes to discover that consolidated retail-
ing and consolidated winemaking were going to put grape growers out of business. It is the same as Woolies. Woolies were on Four Corners the other day, pure as the driven snow, but anyone who gets a contract to supply Woolies eventually goes down the chute because they keep cutting back the costs. They will not pass the costs forward. It is the same as airlines flying today, as shown in the CASA inquiry. I said to them, ‘At some stage of the game the airlines have to have the courage to say to people who are flying, “We’re going to actually charge you the real cost of flying.”’ They may continue, by cost cutting, cutting back the servicing of their planes and all of that stuff, to keep themselves flying financially, but they will be physically crashing. That is what is going to happen to Australia’s farmers unless we can pass our costs forward. We are dealing with cartels. I have to say that the Nauru government are not very happy about this; they have written recently to my committee. We have a situation where in Nauru, up until two months ago, they were getting $40 a tonne for their rock phosphate when the global price is $300, and we as a country are giving them foreign aid because they are going broke. This is crazy stuff.

So the great challenge for the future for Australia’s farmers and for the community is not what is in the garage; it is what is in the fridge. I have to say that the inquiry of the select committee which I chair is going to look at how we will in the future supply food that is affordable—which may mean a re-definition of what is affordable—from an environment that is sustainable and a farmer who is viable, who is paid to get out of bed and do it and not do it under some sort of slave or serf labour. That is the great challenge facing the planet. If 50 per cent of the world’s population is water poor and there are 1.6 billion people displaced—when Mick Keelty said last year that the greatest threat to Australia’s sovereignty is climate change, and he is right.

Debate interrupted.

TEMPORARY CHAIRS OF COMMITTEES

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—Pursuant to standing order 12, I lay on the table warrants nominating senators as additional Temporary Chairs of Committees when the Deputy President and Chairman of Committees is absent; and revoking the warrant nominating Senator McEwen as a Temporary Chair of Committees.

DOCUMENTS

Vocational and Technical Education System Report

The ACTING DEPUTY PRESIDENT—Order! It being 6 pm, the Senate will now proceed to the consideration of government documents.

Senator BARNETT (Tasmania) (6.01 pm)—I move:

That the Senate take note of the document.

I stand to speak to document No. 21, which talks about the national training system of vocational education and training. In terms of the national training system, I wanted to alert the Senate and the public to the great progress that has been made in Launceston and on the north-west coast of Tasmania at Burnie with respect to Australia’s technical colleges. The previous government had plans to expand Australia’s technical colleges but that has concluded under the Rudd Labor government. I specifically want to commend the work of Australian Technical College Northern Tasmania’s CEO, Nigel Hill, its chairman, Mac Russell, and its board. I thank them for their work. I also want to commend the previous federal member for Bass, Michael Ferguson, who was a very strong advo-
cate and a great supporter of the Australian technical college’s Launceston campus. As a result of his effort—and, indeed, of the Tasmanian Liberal Senate team at the time—the construction of the new premises of that Australian technical college is now well underway. It is an excellent facility.

A couple of weeks ago there was a tour with Andrew Southcott, the shadow minister for Employment Participation and Apprenticeships and Training. He toured the south, he toured the north-west and he was well appreciated by not only the representatives of the Australian technical college, but also by the families and others who he visited during his tour. I want to note that during his visit, particularly in Launceston, he met with not only Nigel Hill but also Martin Binns, CEO of Launceston Workplace Learning, and the Launceston Chamber of Commerce. That meeting was with Louise Clark, Jessica Hughes, Frank Lyons and Janet McBain. It was a very productive and worthwhile meeting indeed. Senator Richard Colbeck and Senator Parry hosted his visit on the north-west coast, and Senator Colbeck has made some very sensible comments about the merit of Australian technical colleges for this country, including in Tasmania. He was also hosted in the south of Tasmania.

In terms of the benefits of the Australian technical colleges, I note Senator Colbeck’s statement of 1 August relating to that particular visit. He said that the 2007 apprentices and trainees annual report indicated the national completion rate was 49.5 per cent, but at 31 December 2007 there were 405,500 apprentices and trainees in training and ‘it is disturbing to think that some 200,000 of those may not complete’. Yes, it is disturbing. The Australian technical colleges have delivered improved apprenticeship retention rates and they are helping to save the community millions of dollars. That is happening.

The ATCs have a national retention rate of 90 per cent, but in Tasmania it is even higher, at 97 per cent. So the results are already on the board as a result of the previous government’s initiative and as a result of this project getting up and going. It is certainly a great achievement. Since its inception, there has been a delivery of nationally recognised certificate III trade training in conjunction with the relevant TCE program. There is certificate III training that is currently being provided for carpentry, commercial cookery, metals and engineering, fabrication, metals and engineering and mechanical electrotechnology. In 2009 this will extend to certificate III training in automotive, information technology and business studies, so there is great merit. I wanted to particularly acknowledge the success of the ATC. They had the Australian school based apprentice of the year, Warwick Johnstone, last year. That is a great credit to the Australian Technical College in Launceston, to Nigel Hill and his team, and they should be commended for the success, as should Warwick Johnstone be commended for his national award.

In conclusion, I just want to say it is up to the local members in Tasmania to stand up for the Australian technical college, and that is the big question: will they stand up? Will federal members Jodie Campbell and Sid Sidebottom stand up for the ATC and their future? That is the big question. 

Senator IAN MACDONALD (Queensland) (6.07 pm)—I want to follow on from Senator Barnett’s comments on the Australian Vocational Education and Training system, and also to support his comments on Australian technical colleges. I have mentioned in this chamber many a time before the magnificent Australian technical college
in Townsville, which has done so much to help young people wanting to have an education in the trades— principally those trades that support the mining and manufacturing industries and mining support industries in Townsville. It is an organisation that was set up some years ago and opened, as I recall, by the then Prime Minister, John Howard.

I want to pay tribute to the member for Herbert, Peter Lindsay, for the work that he did in getting that Townsville Australian technical college up and running. I am shattered by the suggestion that the Rudd government will not be continuing funding of the ATC in Townsville. The genesis of the technical college was the skills shortage in the mining and mining support industries. There was a desperate need for it. Unfortunately, the Queensland College of Technical and Further Education, the TAFE, was not providing the sort of training that was required and so the Australian technical college was set up in Townsville. It had an independent board—a board of businessmen, people involved in the industry who understood what was needed. It had engaged very good staff. The technical college taught not only the trades but also subjects, like English and mathematics, that enable young people to get a trade and make their way in the world.

I cannot understand what ideology would encourage Mr Rudd not to fund that group again. I know they have been seeking outside funding, and no doubt they will have some assistance there, but it is a college that has proved its worth and should be continued by the Rudd government. It can only be a matter of ideology that Mr Rudd is not going to continue it. I know he said that the TAFE systems run by the states can do the work and that we should be putting money into that, but it has been proved clearly over a number of years that the TAFE system in Queensland was not providing the sort of training and assistance that was needed. So I urge Mr Rudd, the current government and the relevant minister to put aside politics and ideology and not to ignore the facts that it was a good initiative of the Howard government and a college that Mr Peter Lindsay was instrumental in getting up and running. Mr Rudd should be statesmanlike, be a real Prime Minister and continue funding of a college that was really assisting young people to get into their chosen trades or jobs. Let those young people continue to have access to the sort of training they need to make a worthwhile contribution to Australia in the future.

Question agreed to.

**Tasmanian Regional Forest Agreement**

*Senator BARNETT (Tasmania) (6.12 pm)—I move:*

That the Senate take note of the document.

*Senator IAN MACDONALD (Queensland) (6.12 pm)—The Regional Forest Agreement between the Commonwealth and Tasmania was an agreement—supported by both sides of parliament, I might add—that really underpinned the very successful and vibrant forestry industry in Tasmania. I want to raise in this chamber the issue of the Gunns mill in Tasmania, which is dependent upon the local forestry industry for its material. Of course the Regional Forest Agreements instituted by the Howard government underpinned the arrangements for the forestry industry in Tasmania.

I simply cannot believe that activity by a small minority of Tasmanians, reflected in this chamber by the Greens political party, can possibly yet again—it has happened twice in the shortish history of Tasmania—bring about the demise of a facility which could provide so many jobs and so much wealth for the island state. I appreciate that my Tasmanian colleagues will, perhaps on other days, speak on this, and perhaps they
understand more than I the importance of the pulp mill. It annoys me that a small group is attempting to destroy a business that could be so good for Tasmania. The attempt two or three decades ago to build a pulp mill—


Senator IAN MACDONALD—Thank you, Senator Barnett. That was destroyed again by the same group of people. They thought that they had done a marvellous thing by stopping this operation, which could have provided so much wealth and so many jobs for Australia. They continue to do that. I simply cannot understand it. The Tasmanian forestry industry is sustainable. The Greens have never been able to explain to me how shutting down an industry that is so well managed in Australia and that is so sustainable can help the cause of world forests and greenhouse gas emissions. We will still continue to use paper made from pulp, but if we do not make it from Australian produce we will simply buy it from forests that have been decimated in the Amazon or in the Solomons or elsewhere in the world that do not have the same sort of very precise management arrangements that the Australian forests have.

I hope that the Gunns mill will continue. I wish it all the best, because it will again be a great tragedy for our nation if a small group of people can, by their activities, destroy what could be—and, if it is allowed to go ahead, will be—a great facility, a great business and a great operation for Australia in the state of Tasmania. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Australian Competition and Consumer Commission

Senator BARNETT (Tasmania) (6.17 pm)—I move:

That the Senate take note of the document.

The telecommunications competitive safeguards report for 2006-07 highlights on page 1 the state of competition in Australia, where it talks about telecommunications competition around the country. I want to speak about the lack of competition in Tasmania, particularly with respect to the access to broadband services. I would like to put the Premier of Tasmania on notice and ask him why his government has sat on their hands on the Basslink fibre-optic cable issue since 2004. The taxpayers of Tasmania have been spending approximately $2 million a year—the latest report put it at $2.1 million a year—for no benefit.

In fact, the cable has not been lit. It has been there on the bottom of Bass Strait amongst the sand and the coral and has been of no benefit to internet broadband users in Tasmania. It was completed in 2004. It contained a fibre-optic link cable, increasing Tasmania’s broadband capacity and indeed competition. The cable has lain dormant since then, as the Tasmanian government has been unable to come to an agreement with the owners of the Basslink cable. The new owners are CitySpring. I will come to them very shortly.

In terms of Tasmania and competition, we need a second wholesaler providing broadband to the state to provide competition and a better outcome for Tasmanian consumers. Premier Bartlett needs to ensure that the Basslink fibre-optic cable is commercialised and lit as soon as possible, rather than lying dormant. Until he does, all his talk about making Tasmania ‘clever and connected’ is just talk—that is all it is; there is no meat on the bones.

I note that Premier Bartlett is quoted in today’s Mercury. He made a big speech last night about the importance of innovation for Tasmania. He said, ‘An innovation strategy has been commissioned by the state govern-
ment as the cornerstone of a plan to drive economic growth for the next 10 years.’ This is highlighted on page 11 of today’s *Mercury* under the headline ‘Bartlett activates plan for growth’. He is quoted in there as saying ‘a comprehensive innovation strategy is crucial to help underpin our growth for the next 10 years’. What is he doing about this particular dormant cable, for which taxpayers are paying over $2 million a year and have been doing so since 2004?

In today’s *Examiner* newspaper, on page 4, Ellena Midgley has written a very good story about CitySpring, ‘CitySpring “on notice” over cable’. The Treasurer of the state government is in negotiations with CitySpring. But this has been going on for weeks and months. The cable has been dormant since 2004, and we have been paying $2 million a year. It is a scandal and it needs to be sorted out. The state government in Tasmania needs to come clean with the public. This particular report in the *Examiner* says:

> The 290km cable, which runs from George Town to Victoria, does not carry any Internet traffic.

That is correct. It is a dormant cable. It has not been lit. The article says:

> “The Tasmanian taxpayer is locked in to paying approximately $2.1 million a year to CitySpring for no benefit.”

That is exactly right. So let us have an inquiry; let us find out exactly what is going on. Can the state government come clean and say exactly what is happening with respect to the future of that cable? Will we continue to pay $2 million a year for a dormant cable with no benefit for Tasmanian taxpayers? How do they explain this inaction and dilatory behaviour, this sitting on their hands? Is Premier Bartlett clever and connected, or is it all just words? Perhaps it is the latter; but, if it is, he should come clean and explain that to the Tasmanian public.

Question agreed to.

**Kyoto Protocol to the United Nations Framework Convention on Climate Change**

**Senator IAN MACDONALD** (Queensland) (6.23 pm)—I move:

That the Senate take note of the document.

The Kyoto protocol and greenhouse gas emissions have been very much a topic of conversation in both this parliament and the wider community over the last several years but particularly since the election of the new government in November last year. The Howard government, of course, was involved in the original Kyoto meeting, and very good work by the then minister, Senator Hill, got a good outcome for Australia on the protocol. Australia has since met its targets as agreed in Kyoto. The Howard government was the first government in the world to set up a Greenhouse Office, and it continued to work on the reduction of greenhouse gas emissions. If you listen to Senator Wong in this chamber, you would think that every bit of work done in relation to the reduction of greenhouse gas emissions has been her doing since the election, but I think most Australians understand that that is not correct and that in fact a lot of work was done and a lot of success was achieved after the Greenhouse Office was set up in Australia.

Earlier today I—and, I guess, others in this chamber—had a visit from Australian cement industry representatives. They pointed out that their industry does use a lot of power. Enormous heat is required to convert limestone into clinker, which is then further processed to produce cement. But they indicated to me that, unless they and other trade-impacted industries can get sensible certificates under the Rudd government’s proposed emissions trading scheme,
the industry will not be able to continue in Australia. Of course, Australia will always need cement, and so, if we do not produce cement within Australia, we will just import it. That means that all of the jobs of—dare I say it—working families that are currently available in Australia to those working in the cement industry will simply be exported to Indonesia, Malaysia, China or anywhere else in South-East Asia or the world that does not have the sort of emissions trading scheme that the Rudd government is talking about. We all know that the Rudd government’s proposal for an emissions trading scheme will put up taxes on just about every aspect of life. The cost of electricity to all Australians will multiply, and the impact on Australian businesses will be enormous.

I have asked this question many a time, and Senator Wong has never been able to answer me: what impact will Australia’s leading the world on climate change have on the changing climate of the world? We accept that the world’s climate is changing, but, with Australia emitting less than 1.4 per cent of the world’s greenhouse gases, you could shut Australia down completely and it would not make one iota of difference to the world’s changing climate. Until we can get the big emitters, like China, India and the United States, to in some way curb their outputs of greenhouse gases, nothing Australia does is going to make one iota of difference to the world’s changing climate. But what it will do in the cement industry—and I mention the cement industry just because I was talking to them today—is drive the jobs of all those working Australian families offshore.

**Senator TROOD** (Queensland) (6.29 pm)—We are all very familiar with the fact that one of the first acts of the Rudd government on coming to office was to ratify the Kyoto protocol, and that reflected the view that the Rudd government formed that it had a mandate to do so following the election last year. But it was a very disturbing development in my view when, without going through what I regard as now well established processes of this parliament, the Rudd government went ahead and ratified the protocol without referring the matter to the Joint Standing Committee on Treaties of the parliament. One of the great innovations of the Howard government during its years of office was to establish the Joint Committee on Treaties and to ensure that every international agreement, every international convention—protocols—came before that committee and received the kind of scrutiny which, prior to the committee being established, was not received. The committee gives members and senators an opportunity to explore in depth the details behind the establishment of an international agreement. If ever there were an international agreement of significance and importance to this country the Kyoto protocol was certainly that particular agreement. I think it is a matter of great shame to the Rudd government that the first act it undertook as a new government was to essentially ignore the treaties committee and to proceed to ratification without giving the treaties committee an opportunity to scrutinise the protocol.

I understand that the protocol is now before the committee, but it is rather belated. It is particularly belated in the context of a government which, through the course of the election campaign, complained about the fact that the standards of propriety and oversight within this parliament had declined. I do not accept that proposition for one moment. But since that was the argument that was put to the electors of Australia during the course of the election, one would have thought that the first thing the Rudd government would have done in relation to its first policy initiative would have been to pay attention to those well-established protocols of the parliament.
The treaties committee is an important part of the parliament’s capacity to extend oversight and accountability, and it has worked excessively well during the period it has been in existence. I think that the reports of its activities all confirm that. I think it is a matter of great regret, as I say, that the first thing the Rudd government did was to ignore it, and I hope that that will not become a practice of the Rudd government during the course of its tenure.

Debate (on motion by Senator McEwen) adjourned.

Consideration

The following orders of the day relating to government documents were considered:


National Native Title Tribunal—Report for 2006-07. Motion of Senator Bartlett to take note of document agreed to.


Torres Strait Regional Authority—Report for 2006-07. Motion of Senator Bartlett to take note of document agreed to.


Department of Immigration and Citizenship—Report for 2006-07. Motion of Senator Bartlett to take note of document agreed to.


Migration Act 1958—Section 486O—Assessment of appropriateness of detention arrangements—Personal identifiers 221/07 to 346/07—Commonwealth Ombudsman’s reports—Government response. Motion of Senator Bartlett to take note of document agreed to.

Australia Business Arts Foundation Ltd—Financial statements for 2006-07. Motion of Senator Bartlett to take note of document agreed to.

Australian Meat and Livestock Industry Act 1997—Live-stock mortalities during exports by sea—Report for the period 1 July to 31 December 2007. Motion of Senator Bartlett to take note of document called on. On the motion of Senator Macdonald debate was adjourned till Thursday at general business.

Migration Act 1958—Section 440A—Conduct of Refugee Review Tribunal reviews not completed within 90 days—Report for the period 1 November 2007 to 29 February 2008. Motion of Senator Bartlett to take note of document agreed to.

Migration Act 1958—Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 November 2007 to 29 February 2008. Motion of Senator Bartlett to take note of document agreed to.


Which way home? A new approach to homelessness—Green paper by the Prime


Treaties—Bilateral—Australia-Chile Free Trade Agreement—Text, together with the national interest analysis, regulation impact statement and annexures. Motion to take note of document moved by Senator McEwen. Debate adjourned till Thursday at general business, Senator McEwen in continuation.

given by so many people at the hearing of this committee that I attended in Melbourne, when witness after witness from the industry, from the unions, from councils and from conservation groups said that there had been an enormous drop-off in contracts and in arrangements for installation of these solar panels.

There was evidence given on another day of that committee when ATA, one of the witnesses appearing, suggested that there will be a drop-off—there seemed to be no doubt from people within the industry. They explained that the department’s figures of an increase in applications for the subsidy may have been related to the fact that many people believed that the means test did not start until the new financial year and so had tried to get in between budget night and the end of June to get their subsidy.

There was also a thought that perhaps families whose joint income will be below $100,000 in the current financial year but may go higher than that in the following financial year were getting in this financial year, while they were still under the new threshold. There was also a suggestion that the publicity from the government’s sudden announcement may have alerted people who had not previously been aware of this subsidy scheme.

What the coalition is most concerned about with this almost secret arrangement to reduce the threshold to $100,000 is that it has cut out so many people in the salary bracket that would have provided the bulk of the installation of these solar panels. We need to recall that a family with, say, a motor mechanic and a partner who is a nurse or a teacher is not a wealthy family; however, their combined incomes would exceed the $100,000. Those people have been excluded from this scheme because they no longer qualify for the $8,000 subsidy that the Howard government provided to those wanting to install solar panels.

We have the ridiculous situation where the Prime Minister and Senator Wong are making a huge issue of greenhouse gas emissions and climate change, and yet here was a scheme, put in place by the Howard government, that enabled average Australians—ordinary Australians, if I can use that word—to play their part in reducing greenhouse gas emissions by putting a solar panel on their roof and cutting down on the use of carbon power. Why would you stop that? We are spending literally hundreds of millions of dollars, and soon to be billions of dollars, on an emissions trading scheme. It is a scheme that will tax just about every aspect of Australian life. I think when the public come to understand what the Rudd government has in store for them, with increases in tax following implementation of the emissions trading scheme, they will have a different view about it.

Average Australians could have played their part—they wanted to play their part—but the rug was pulled from under them by this very mean and secret decision that the Rudd government announced on budget night, without warning, to reduce the means test to $100,000. That is even more surprising when other government programs that are means-tested, rightly perhaps, pick $150,000 as the figure above which the subsidies or grants are not paid. Why $100,000 was picked is very difficult to understand from the evidence given to this committee. I hope that when the save our solar bill comes before the parliament the Labor Party will be able to support it to give back to those families earning over $100,000 the ability to apply for this subsidy, which will enable them to play their part in reducing the greenhouse gas emissions of our country.
Senator PARRY (Tasmania) (6.41 pm)—I will be brief because a lot of this has been canvassed, but there are a couple of important issues to note. I too was on the inquiry with Senator Macdonald and our colleague Senator Birmingham. The strange part about all this is that every witness basically indicated to us under questioning that they expected that, whoever won the election campaign in November 2007, either side would have supported and enhanced solar energy and, in particular, retained this particular rebate—and there was no indication of means-testing, as my colleague Senator Macdonald has said. That was disappointing, and I think it was bordering on fraudulent for the Labor Party not to declare it and even to stage events indicating that they had a great passion for solar energy. Through the campaign—and this came out time and time again through evidence—and I think all would bear testimony to it—everyone thought that solar panels would be retained and enhanced and that there would be no reduction and certainly not a means test, which was just a bolt out of the blue.

Secondly, evidence in Melbourne was given by the Electrical Trades Union, a Labor Party based organisation. This particular organisation was represented by its senior people, who gave evidence. I asked what they thought the outcome should be and they said, ‘Abolish the means test.’ They were very concerned, so I said, ‘Have you written to the Prime Minister and the minister about this?’—and this will be all borne out in Hansard—and they said, ‘Yes, we have.’ I said, ‘What’s the response?’ The response was, after a couple of months, not a single word, letter or phone call. That was atrocious to hear. So the Prime Minister has even duded his own union on this particular issue. When you do not have that sort of support out there in the community I think there are some issues.

The third thing I want to talk about, and I will conclude on these remarks, is that the implication of what has been transacted with the means test is that it is now reducing the size of the unit that is going onto the roofs of houses, because the rebate is only applicable to people on incomes under $100,000. They cannot afford to buy a bigger unit because most one-kilowatt units already cost between $8,000 and $10,000. You can buy bigger units at about $15,000 or $16,000, but these people do not have that disposable income to spend. So they are buying smaller units and the taxpayer dollar is not really being effective. That is another shame about all this—it is not an effective use of the rebate. It would have been great if the rebate was going to bigger units on houses, which would actually pick up a lot of the electricity needs of a family home. One-kilowatt units cannot meet all the requirements of a family home. Also, because of the technology and infrastructure of a one-kilowatt unit, there is nothing being fed back into the grid. That is a shame, and I think it is a very foolhardy policy. Like Senator Macdonald, I hope we get support for the save our solar bill. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Public Accounts and Audit—Joint Statutory Committee—Report 411—Progress on equipment acquisition and financial reporting in Defence. Motion of Senator Bishop to take note of report agreed to.

Environment, Communications and the Arts—Standing Committee—Report—Waste management in Australia (including consideration of the Drink Container Recycling Bill 2008). Motion of the chair of the committee (Senator McEwen) to take note of report. Debate adjourned till the
next day of sitting, Senator McEwen in
continuation.

AUDITOR-GENERAL'S REPORTS
Report No. 1 of 2008-09

Senator TROOD (Queensland) (6.45
pm)—I would like the opportunity to address
a report that is not on the list but that I had
anticipated would be on the list from last
week’s sitting. I seek leave to speak to the
Auditor-General’s Audit Report No. 1 of
2008-09, Employment and management of
locally engaged staff: Department of Foreign
Affairs and Trade.

Leave granted.

Senator TROOD—I move:

That the Senate take note of the document.

Employment and management of locally en-
gaged staff is the first such report that the
Auditor-General has undertaken for quite a
period of time—15 years. It covers the 1,491
locally employed staff spread over 91 diplo-
matic posts who constitute 73 per cent of
DFAT’s overseas staff. They clearly make up
a very significant part of Australia’s overseas
representation. As the Auditor-General notes
in the report, they make a very valuable con-
tribution to Australia’s representation over-
seas. As the report notes, they have knowl-
dge of local culture and geography; lan-
guage skills which might not otherwise be
available to the embassy; local networks; and
of course a corporate knowledge which is
most valuable to our missions overseas. All
are a necessary and very valuable part of the
success of our missions across the world.

As with most ANAO reports, the Auditor-
General reaches conclusions which are both
complimentary and critical. The complimen-
tary side of this report recognises that the
management of LES is a complex matter and
acknowledges that for the most part DFAT
manages these people effectively—hardly a
ringing endorsement, but at least a tick for its
management. It also notes that the depart-
ment undertook a fundamental review of
LES in 2000 and that resulted in some
changes in the way it managed those staff.

On the critical side, however, there is a se-
ries of sharp criticisms of DFAT’s proce-
dures. I find these rather disturbing. Many
may not amount to administrative delin-
quency, but they certainly reflect some poor
management practices and perhaps, one
might say, an inattention to organisational
health. More importantly—and I think this is
the thrust of the report—they betray signs of
a department under considerable pressure.
The report refers to: inadequate briefings of
new LES on the role and structure of DFAT,
the operation and function of posts and other
matters; a failure to comply with the need for
pre-employment medicals; a noticeable
weakness in recruitment practices; poor
monitoring of LES employment; and a lack
of rigour in performance estimates. Perhaps
none of these are so troublesome as to war-
nant severe sanction or anything like that,
but, at the very least, it seems to me, they
suggest inattentiveness to the management of
the LES. To its credit, DFAT have recognised
these shortcomings and, of the four recom-
mendations that are contained in the Auditor-
General’s report, agreed to implement three
fully and the fourth for the most part. So
DFAT are on the way to reform and change.

The report raises some wider questions in
my mind about DFAT staffing, and I find
these rather disquieting. The report seems to
highlight a trend which goes to the core of
Australia’s diplomatic representation over-
seas. There are three elements of this trend,
and the report is quite explicit in dealing
with them. The first of these is that DFAT
staff numbers overseas have been on a peril-
ous decline over a long period of time. In
1980, we had 2,948 members of staff over-
seas; in 2007, we only have 2,039. LES as a
proportion of these numbers are now around
73 per cent of employees overseas. The decline in staff and the shift to reliance upon LES have both occurred during a time when there has been an increased workload for DFAT staff overall. Under these circumstances, it is perhaps not surprising that the LES management was found wanting. Perhaps the mystery is that things are not worse than the Auditor-General reported them to be.

These trends lead to an ineluctable conclusion about DFAT—and that is that it is a department under considerable stress. I think the point is that we cannot continue to run our foreign service on this basis and expect high levels of professionalism from our diplomats. If we put them under constant pressure then we can expect their performance to decline. They are consummate professionals. Any of us who have had any contact with our DFAT staff overseas would say that they do more than is expected of them to perform their representational responsibilities effectively. But we have reached a point—and I think the LES report of the Auditor-General underscores this proposition—where DFAT staff in general are under considerable stress. This is a valuable report because it highlights the experience of the LES, but I think we have probably reached the stage where the Auditor-General might usefully turn his forensic skills on DFAT management overall, because that is where the need is. That is where the Rudd government needs to pay considerable attention to increasing resources, to increasing the budget, and to the staffing matters of the department.

Question agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—Order! There being no further consideration of committee reports, government responses and Auditor-General’s reports, I propose the question:

That the Senate do now adjourn.

Murray-Darling Basin

Senator FISHER (South Australia) (6.52 pm)—I rise to comment on some concerns that I share with minister and fellow South Australian senator Senator Wong. These are concerns about the Murray-Darling Basin and concerns for the nation arising out of the dire straits facing the Murray-Darling Basin. I share with Senator Wong concerns about the environment; I share with Senator Wong concerns about the communities; I share with Senator Wong concerns about the livelihoods; I share with Senator Wong concerns about the people, both country and city—indeed, all of us—who need a sustainable Murray-Darling Basin; I share with Senator Wong concerns about the very accurate sentiments expressed by the head of the Murray-Darling Basin Commission, Wendy Craik, when she notes that regrettably we continue to set records that as a country we would prefer not to set; and I share with Senator Wong concerns that we are faced with some very tough choices indeed. But, unfortunately, it is pretty much about there that the sharing with Senator Wong comes to an end.

Senator Wong accuses us of failing to nominate which of the tough choices we would make. At long last Senator Wong has shared with Australians the tough choices that do indeed face us in respect of the lower lakes and Coorong in terms of the departmental advice which she had tabled to the Senate Rural and Regional Affairs and Transport Committee in the last few days. She has finally shared with us the identification of some of those tough choices. We now call on her to act on some of those tough choices. But it also highlights the areas in which Minister Wong has failed to identify the tough choices that unfortunately face us. As a senator for South Australia, I am talking in particular about the tough choices that
face South Australians in their water use. I am talking in particular about Minister Wong’s indication that we are essentially in a holding pattern at the moment. Well, in a holding pattern we may remain for as long as we actually fail to take any of those tough choices. But, in the future, unless we take those tough choices, a holding pattern may indeed look like a luxury.

As a senator for South Australia I want to know why Minister Wong has failed to identify, as one of the tough choices facing South Australia, weaning Adelaide off the Murray. Why is it that a minister from South Australia continues to advocate a capital city sucking from the Murray? Why isn’t Minister Wong advocating weaning Adelaide off the Murray and leaving the Murray for people who have less choice in their water source than the people of the city of Adelaide? Minister Wong says this week, ‘There is simply not enough water in the system to do everything we want. My view is that we have to give priority to Adelaide’s water supply and that of other towns which rely on the river.’ There she is nominating short- to medium-term reliance for Adelaide on sucking on the Murray-Darling.

But she goes further. She is quoted in the 
*Advertiser* on 25 August as saying that in 10 years time she hopes to see a river system that provides food and fibre for Australia and provides water for Adelaide. So our minister—our South Australian senator—is advocating that in 10 years time Adelaide will still be sucking on the River Murray. Why? On what basis is she so advocating? She and the Prime Minister promised Australians evidence based policy. On what evidence based policy is she saying that in 10 years time a capital city should continue to suck on the Murray—a capital city that is not even on the Murray, the only capital city that relies on the Murray for a significant proportion of its water; indeed, up to 80 per cent of its annual use in some years? It is a capital city that actually has choices in its water use, collection, storage and reuse. It has choices in its collection, storage, use and reuse of water that many others along the Murray-Darling do not have. It has far more choice than others have. Why is Senator Wong not urging her state Labor colleagues to end the blame game, wean Adelaide off the Murray. Why is Senator Wong not compelling her state Labor colleagues to take action to better collect, store, use and reuse water? What are the facts? Yes, we are the only capital city to have a significant proportion of our water coming from the River Murray. What are the facts? What are the choices that we have that others do not? We can build a desal plant. Finally we are talking about it. We are talking about something advocated by the state Liberal opposition years ago. Finally we are going to build a desalination plant. But you know what? It is going to supply Adelaide with 50 gigalitres a year—50 gigalitres out of the some 300 gigalitres we use. It is going to take us five years to build it, when it took the Western Australians two years. It is not fast enough and not big enough.

In a dry year Adelaide ditches into the ocean anything from 120 gigalitres of stormwater; in a normal year it is up to 230 gigalitres of stormwater. Do you know what? That is up to 80 per cent of Adelaide’s water use in a year—ditched into the ocean. Finally, a state Labor government is into feasibility study mode about capturing and reusing the stormwater. We have options as a capital city. Minister Wong should compel her state Labor colleagues to take action and use the options so that Adelaide is able to be weaned off the Murray. While she is at it, she might compel her state Labor colleagues to end backyard water restrictions. Does that mean we have enough water? Of course it does not. But she knows that backyard water restrictions are not increasing the efficiency
of our use of water. She knows they are not putting a drop of water back in. She knows that education achieves as much as backyard water restrictions. She said as much when she acknowledged that Melburnians saved 22 per cent of their annual water use in their backyard when they did not have water restrictions. She knows we are saving water because we are water wise. She knows that the state Labor minister in South Australia, Karlene Maywald, cannot prove, to the extent that we are saving water in South Australia, that those savings are caused by backyard water restrictions, because they are not. Backyard water restrictions are pitting citizen against citizen; they are unnecessary; they are causing unnecessary costs and they are not saving the Murray.

South Australians are going to save 30 per cent of backyard water used. Do you know what that means? We will save a whole 11 gigalitres in a year of our water use. This will be saved not through backyard water restrictions but because we are water wise. But what is 11 gigalitres out of South Australia’s annual usable take from the Murray of 600 gigalitres? Do your sums, ladies and gents: it is 11 gigalitres out of 600. It is 1.8 per cent, which is not even two per cent. It is a pea in the pond that the Murray is fast becoming.

While Minister Wong is at it, she might exhort her state Labor colleagues to drop backyard water restrictions, which are a camouflage for Labor inaction. That is all they are. And she might take responsibility and have courage, as a senator for South Australia, to advocate weaning Adelaide off the Murray. Why will she not do this? Because Adelaide has drawn on the Murray for many years? Why will she not? Because she is a South Australian and it is hard, because she knows her state Labor colleagues are guilty of inaction on better collection, use, storage and reuse of water for Adelaide? Why will she not? Because of the politics. Come on, Minister. Why will the minister not nominate a target, a date by which Adelaide should be weaned off the Murray? Or, again, is she cowed into submission by the inaction of her Labor colleagues? Is she not prepared to do that for as long as we have a Labor administration in South Australia? (Time expired)

Disability

Senator BOYCE (Queensland) (7.03 pm)—I would like to bring to the Senate’s attention today an event which I believe to be a very important advance for the international cause of people with disabilities. Many senators will know that I have a deep and abiding interest in the problems and the issues facing people with a disability and that I have a daughter with Down syndrome. Earlier today in St Paul, Minnesota, the Republican vice-presidential candidate, Governor Sarah Palin, addressed her party’s national convention.

There are quite a few issues on which I believe that Governor Palin and I might disagree, but not about the importance of greatly improving our focus on disability issues and greatly improving our treatment of people with a disability. Governor Palin recently became the mother of a son with Down syndrome. I think it is fantastic that a major party in the United States has nominated a female on its presidential ticket and that it is a great bonus for those in the disability community that she has already put the issues of disability right up front on her political and policy agenda.

The very first pledge that Governor Palin made in her nomination speech today was:

To the families of special-needs children all across this country, I have a message: For years, you sought to make America a more welcoming place for your sons and daughters. I pledge to you that if we are elected, you will have a friend and advocate in the White House.
I am sure that this short but important statement made at the very beginning of such a significant speech gave heart to millions of Americans that finally their cause is being championed. It is becoming increasingly common for social causes of all varieties to recruit high-profile people to raise awareness about their particular issue. People with Down syndrome and the disability community in general are lucky to have found such a new champion as Governor Palin. I believe that Governor Palin’s love for her son and her support for the cause have the potential to raise the profile of disability issues internationally, and for that I would like to thank her.

Senate adjourned at 7.06 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

A New Tax System (Goods and Services Tax) Act—
Goods and Services Tax: Waiver of Adjustment Note Requirement (Corporate Card Statements) Legislative Instrument (No. 1) 2008 [F2008L03346]*.
Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) Legislative Instrument (No. 1) 2008 [F2008L03345]*.
AusLink (National Land Transport) Act—
Variation of Auslink Roads to Recovery List Instrument No. 2008/6 [F2008L03240]*.
Australian Capital Territory (Planning and Land Management) Act—Revocation of Declaration of National Land in the District of Kowen, Australian Capital Territory [F2008L03241]*.
Australian Citizenship Act—Instrument IMMI 08/055—Instrument of delegation and authorisation [F2008L03347]*.
Australian Film, Television and Radio School Act—Determination of Degrees, Diplomas and Certificates No. 2008/3 [F2008L03293]*.
Broadcasting Services Act—
Broadcasting Services (Anti-Siphoning Monitoring) Direction (No. 1) 2005 (Amendment No. 1 of 2008) [F2008L03362]*.
Variation to the Licence Area Plan for Mudgee Radio – No. 1 of 2008 [F2008L03234]*.
Civil Aviation Act—Civil Aviation Regulations—Instrument No. CASA 422/08—Instructions – for approved use of P-RNAV procedures [F2008L03049]*.
Corporations Act—Auditing Standard ASA 2008-1—Amendments to Australian Auditing Standards [F2008L03239]*.
Customs Act—Select Legislative Instruments 2008 Nos—
173—Customs Amendment Regulations 2008 (No. 5) [F2008L03226]*.
174—Customs (Prohibited Exports) Amendment Regulations 2008 (No. 2) [F2008L03224]*.
Defence Act—Select Legislative Instrument 2008 No. 175—Defence Force Amendment Regulations 2008 (No. 2) [F2008L03070]*.
Defence Service Homes Act—Select Legislative Instrument 2008 No. 176—Defence Service Homes Amendment Regulations 2008 (No. 1) [F2008L03075]*.


Higher Education Support Act—Higher Education Provider Approval (No. 8 of 2008)—Gestalt Therapy Brisbane Pty Ltd [F2008L03247]*.

Migration Act—Migration Agents Regulations—MARA Notices—
    MN36-08c of 2008—Migration Agents (Continuing Professional Development – Attendance at a Seminar, Workshop, Conference or Lecture) [F2008L03394]*.
    MN36-08e of 2008—Migration Agents (Continuing Professional Development – Preparation of Material for Presentation) [F2008L03395]*.
    MN36-08f of 2008—Migration Agents (Continuing Professional Development – Miscellaneous Activities) [F2008L03396]*.


National Health Act—Instrument No. PB 91 of 2008—Amendment Special Arrangements – IVF/GIFT program [F2008L03282]*.

Patents Act—Select Legislative Instrument 2008 No. 178—Patents Amendment Regulations 2008 (No. 1) [F2008L03228]*.


Taxation Administration Act—Select Legislative Instrument 2008 No. 179—Taxation Administration Amendment Regulations 2008 (No. 3) [F2008L03220]*.

Trade Practices Act—Consumer Protection Notices Nos—

Governor-General’s Proclamation—Commencement of Provisions of an Act

Lands Acquisition Legislation Amendment Act 2008—Schedules 1 to 3—3 September 2008 [F2008L03227]*.

• Explanatory statement tabled with legislative instrument.

Departmental and Agency Contracts

The following document was tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2008—Letter of advice—Families, Housing, Community Services and Indigenous Affairs portfolio agencies.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Infrastructure, Transport, Regional Development and Local Government: Printer Products

(Question No. 532)

Senator Milne asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 14 July 2008:

(1) Does the department have a policy regarding the use of remanufactured printer products as opposed to buying new ones; if so, does the department assess the cost and re-useability of the product as part of its decision-making in regard to the policy.

(2) Does the department have a policy directive to use remanufactured printer products and, by doing so, lower the balance of payments through reducing imports.

(3) What environmental standard has the department put in place in regard to the disposal of printer cartridges.

(4) Is the Minister aware that several of the printer companies are now putting chips in printer cartridges so that they cannot be re-used.

(5) Does the department have any contractual arrangements with Lexmark or Epson; if so, is the department party to any ‘Prebate’ program.

(6) Does the department know what happens to the printer cartridges when they are empty.

(7) With whom does the department hold a printer supply contract and what are the conditions of the contract.

(8) How much does the department spend on printer cartridges each financial year.

(9) Does the department use Planet Ark to recycle cartridges.

(10) Does the department use foreign companies such as Corporate Express when purchasing printer cartridges.

Senator Conroy—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator’s question:

(1) Yes, the Department does have a policy regarding the use of remanufactured printer products as opposed to buying new ones; the cost and re-useability were considered in the selection criteria when contracting Fuji Xerox.

(2) Yes, the Department encourages the use of remanufactured printer products.

(3) As part of their contract, Fuji-Xerox provides a collection and recycling service for their empty cartridges. The Department uses the Network FX “Recycle for life program” for disposing all used non Fuji Xerox printer cartridges. The “Recycle for life program” provides free disposal bins and collection service.

(4) I understand that the Department is aware that some printer companies build microchips into their printer cartridges to reduce the use of third-party or refilled cartridges. The advice is that these cartridges can be reused by returning them to the original manufacturer.

(5) No.

(6) Yes. I am advised that printer cartridges purchased through a ‘Prebate’ program are returned to the original manufacturer where they are remanufactured with the majority of the original cartridge being reused.
(7) The Department does not hold a direct contract with printer suppliers.
(8) The information requested would involve an inappropriate diversion of departmental resources.
(9) No, the Department uses the “Recycle for life program”.
(10) Yes.

Environment, Water, Heritage and the Arts: Printer Products
(Question No. 536)

Senator Milne asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 14 July 2008:

(1) Does the department have a policy regarding the use of remanufactured printer products as opposed to buying new ones; if so, does the department assess the cost and re-useability of the product as part of its decision-making in regard to the policy.
(2) Does the department have a policy directive to use remanufactured printer products and, by doing so, lower the balance of payments through reducing imports.
(3) What environmental standard has the department put in place in regard to the disposal of printer cartridges.
(4) Is the Minister aware that several of the printer companies are now putting chips in printer cartridges so that they cannot be re-used.
(5) Does the department have any contractual arrangements with Lexmark or Epson; if so, is the department party to any ‘Prebate’ program.
(6) Does the department know what happens to the printer cartridges when they are empty.
(7) With whom does the department hold a printer supply contract and what are the conditions of the contract.
(8) How much does the department spend on printer cartridges each financial year.
(9) Does the department use Planet Ark to recycle cartridges.
(10) Does the department use foreign companies such as Corporate Express when purchasing printer cartridges.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) No.
(2) No.
(3) Under the Department’s Environmental Management System, all spent cartridges are forwarded to Close the Loop® for recycling.
(4) I understand that the Department is aware that some printer companies build microchips into their printer cartridges to reduce the use of third-party or refilled cartridges. The advice is that these cartridges can be reused by returning them to the original manufacturer.
(5) No.
(6) Cartridges used by the Department are transported to Close the Loop®, an Australian recycling and resource recovery company. From there, over 50% of the laser cartridges are sent to the original equipment manufacturers for their remanufacturing or component recovery programs. The remaining cartridges are broken down and processed to recycle their component parts into new products.
(7) The Department has a contract with Volante Pty Ltd for IT managed services which includes the supply and support of desktop equipment, including printers. Printer consumables are not within the scope of the agreement.
(8) The Department currently spends between $500,000 and $600,000 on printer cartridges per annum.
(9) The Department uses the ‘Cartridges 4 Planet Ark’ recycling program which is organised by Planet Ark in partnership with resource recovery specialist Close the Loop.
(10) The Department adheres to the Commonwealth Procurement Guidelines and seeks submissions for the provision of printer cartridges. Requests for quotation are undertaken on a regular basis and cartridges are purchased from the most competitive supplier. Suppliers may vary over time and may include foreign companies.

Garnaut Review: Costs

(8) For each of the five public forums held by Professor Garnaut in the week of 7 July 2008, what was the total cost of: (a) venue hire; (b) advertising; (c) Professor Garnaut’s travel and accommodation; (d) any supporting staff travel and accommodation; and (e) any other expenses.

(9) Has anyone working with Professor Garnaut, or Professor Garnaut himself, prepared briefing information for the Department of Climate Change for the Minister, or directly to the Minister; if so, when was this information provided to the Minister/department.

(10) (a) Who paid for the printing, publication and distribution of the draft report of the Garnaut Climate Change Review; (b) what was the cost of printing, publication and distribution of the report; and (c) how many copies were printed.

(11) (a) On what basis was the paper ‘9Lives80’ selected for use in the report; (b) where is this paper made; (c) if the paper is not Australian-made: (i) why was this paper preferred ahead of Australian-made options, (ii) how many carbon miles were used to bring the paper to Australia for printing and use in the report, and (iii) were these carbon miles offset; and (d) what was the total cost of using this paper in the report.

(12) (a) Who paid for the design and development of the logo for the Garnaut Climate Change Review; (b) who designed the logo; and (c) what was the total cost of designing the logo.

(13) What financial or staffing support has been provided for the maintenance of the Garnaut Review website.
**Senator Wong**—The Minister for Climate Change and Water, also representing the Minister for the Environment, Heritage and the Arts, has provided the following answer to the honourable senator’s question:

(1) The cost of Professor Garnaut’s travel and accommodation expenses paid by the Department of Climate Change as at 13 August 2008 is $14,704.54.

(2) The Department of Climate Change has provided Professor Garnaut with staffing resources that as at 13 August 2008 totalled approximately $200,000.

(3) (a) Staff funded by the Commonwealth have been either seconded from the Department of Climate Change; seconded from the Department of Environment, Water, Heritage and the Arts; seconded from the Victorian Department of the Premier and Cabinet; or engaged externally for the period of the Review.

(b) All such staff are employed within Australian Public Sector classifications.

(c) Staff are employed within the bandwidth APS 6 – SES Band 3.

(d) Staff seconded from Commonwealth Departments are on ongoing contracts. Other staff are on non-ongoing contracts.

(4) The Secretariat is co-located with the Department of Climate Change at 2 Constitution Avenue.

(5) Professor Garnaut has not been provided with a vehicle by the Commonwealth, nor has he chosen to claim his vehicle allowance.

(6) The Department pays 35 per cent of Professor Garnaut’s total mobile phone bill. As at 13 August 2008, $1,539.45 has been paid by the Department of Climate Change.

(7) The Department of Climate Change has assisted in providing corporate administrative support to the Garnaut Review, as appropriate, to ensure oversight and management of the Commonwealth contribution.

(8) Venue hire, advertising and Professor Garnaut’s travel and accommodation were paid for from State and Territory contributions to the Garnaut Review. The Commonwealth contributed $2,210.32 for supporting staff travel and accommodation.

(9) Professor Garnaut and the Secretariat have not prepared any briefing information for the Department of Climate Change for the Minister. Professor Garnaut has met directly with the Minister for Climate Change and Water on a number of occasions.

(10) (a) The Department of Climate Change paid for the printing of the Draft Report.

(b) Draft Report printing costs totalled $70,000. Distribution was minimal and costs are valued at approximately $500.

(c) 600 copies of the draft report were printed.

(11) (a) 9Lives80 paper was selected for use in the report because it is composed of 80 per cent post-consumer fibre and 20 per cent totally chlorine-free pulp. 9Lives80 is a Forest Stewardship Council mixed-source certified paper, identifying that all virgin pulp used in manufacture is derived from well-managed forests and manufactured by ISO 14001 certified mills.

(b) The paper is manufactured in Italy.

(c) (i) There were two Australian-made options, which were assessed by the printer as being of lower quality.

(c) (ii) and (iii) The carbon miles used to bring the paper to Australia have not been calculated or offset.

(d) The total cost of using the paper in the report was $18,873.
(12) The logo was designed, developed and paid for by States and Territories before the Commonwealth formally joined the Review.

(13) The Commonwealth has not been involved in any expenditure or staffing support for the maintenance of the Garnaut Review website.