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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.

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PERTH      585 AM
HOBART     747 AM
NORTHERN TASMANIA 92.5 FM
DARWIN     102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

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, Michael George Forshaw,
Gary John Joseph Humphries, Annette Kay Hurley, Stephen Patrick Hutchins,
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. Helen Lloyd Coonan

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 Barnaby Thomas Gerard Joyce
Deputy Leader of the Nationals—Senator Hon. Nigel Gregory Scullion
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 John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert
Family First Party Whip—Senator Steve Fielding

Printed by authority of the Senate
## Members 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
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Treasurer
Minister for Immigration and Citizenship and Leader of the Government in the Senate
Special Minister of State, Cabinet Secretary and Vice President of the Executive Council
Minister for Finance and Deregulation
Minister for Trade
Minister for Foreign Affairs
Minister for Defence
Minister for Health and Ageing
Minister for Families, Housing, Community Services and Indigenous Affairs
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Minister for Innovation, Industry, Science and Research
Minister for Climate Change and Water
Minister for the Environment, Heritage and the Arts
Attorney-General
Minister for Human Services and Manager of Government Business in the Senate
Minister for Agriculture, Fisheries and Forestry
Minister for Resources and Energy and Minister for Tourism

Hon. Kevin Rudd, MP
Hon. Julia Gillard, MP
Hon. Wayne Swan MP
Senator Hon. Chris Evans
Senator Hon. John Faulkner
Hon. Lindsay Tanner MP
Hon. Simon Crean MP
Hon. Stephen Smith MP
Hon. Joel Fitzgibbon MP
Hon. Nicola Roxon MP
Hon. Jenny Macklin MP
Hon. Anthony Albanese MP
Senator Hon. Stephen Conroy
Senator Hon. Kim Carr
Senator Hon. Penny Wong
Hon. Peter Garrett AM, MP
Senator Hon. Joe Ludwig
Hon. Tony Burke MP
Hon. Martin Ferguson AM, MP

[The above ministers constitute the cabinet]
Rudd Ministry—continued

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<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>
</tr>
<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
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<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<tr>
<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
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<tr>
<td>Minister for Superannuation and Corporate Law</td>
<td>Senator Hon. Nick Sherry</td>
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<tr>
<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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<tr>
<td>Parliamentary Secretary for Defence Procurement</td>
<td>Hon. Greg Combet AM, MP</td>
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<tr>
<td>Parliamentary Secretary for Defence Support</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<tr>
<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
<td>Hon. Bill Shorten MP</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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<tr>
<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>Leader of the Opposition</td>
<td>Hon. Malcolm Turnbull MP</td>
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<td>Hon. Warren Truss MP</td>
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<td>and Leader of the Opposition in the Senate</td>
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<td>Shadow Minister for Innovation, Industry, Science and Research and</td>
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<td>Shadow Special Minister of State and Shadow Cabinet Secretary</td>
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<td>Shadow Minister for Agriculture, Fisheries and Forestry</td>
<td>Hon. John Cobb MP</td>
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<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Mr Michael Keenan MP</td>
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<td>Shadow Minister for Immigration and Citizenship</td>
<td>Hon. Dr Sharman Stone MP</td>
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<td>Shadow Minister for Small Business, Independent Contractors, Tourism</td>
<td>Mr Steven Ciobo MP</td>
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*[The above constitute the shadow cabinet]*
SHADOW MINISTRY—continued

Shadow Minister for Financial Services, Superannuation and Corporate Law
Hon. Chris Pearce MP

Shadow Assistant Treasurer
Hon. Tony Smith MP

Shadow Minister for Sustainable Development and Cities
Hon. Bruce Billson MP

Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Minister for Housing and Local Government
Mr Scott Morrison MP

Shadow Minister for Ageing
Mrs Margaret May MP

Shadow Minister for Defence Science and Personnel
Hon. Bob Baldwin MP

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

Shadow Minister for Early Childhood Education, Childcare, Women and Youth
Mrs Sophie Mirabella MP

Shadow Minister for Justice and Customs
Hon. Sussan Ley MP

Shadow Minister for Employment Participation, Training and Sport
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Northern Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Barry Haase MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

Shadow Parliamentary Secretary for International Development Assistance
Senator Marise Payne

Shadow Parliamentary Secretary for Energy and Resources
Mr Don Randall MP

Shadow Parliamentary Secretary for Indigenous Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector
Senator Cory Bernardi

Shadow Parliamentary Secretary for Water Resources and Conservation
Senator Fiona Nash

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator Hon. Brett Mason

Shadow Parliamentary Secretary for Justice and Public Security
Mr Jason Wood MP

Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Immigration and
Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
MONDAY, 22 SEPTEMBER

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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12.30 pm and read prayers.

GOVERNOR-GENERAL’S SPEECH
Address-in-Reply
The PRESIDENT—I remind honourable senators that, pursuant to the order of the Senate agreed to last week, the address-in-reply will be presented to the Governor-General at Government House today at 5.30 pm. For this purpose, the sitting of the Senate will be suspended at 5 pm. Cars will be leaving the Senate entrance at 5.15 pm for the purpose of taking senators to Government House.

BUSINESS
Rearrangement
Senator ELLISON (Western Australia—Manager of Opposition Business in the Senate) (12.31 pm)—I move:
That general business notice of motion No. 200, for the introduction of the Urgent Relief for Single Age Pensioners Bill 2008, may be moved immediately and have precedence over all government business today till determined.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.31 pm)—by leave—The opposition is seeking, as we have just heard, to suspend all procedures until that bill is dealt with. The Australian Greens would amend that motion to first have the three revenue-raising bills, dealing with the luxury car tax, the Medicare levy alteration and the condensate tax, dealt with. We see the responsibility for dealing with the revenue raising as being equal with that for dealing with the expenditure. We believe all the bills can be dealt with this week, but we are of a mind to say to the opposition, ‘First, let’s deal with the revenue-raising legislation, and then let’s immediately deal with the expenditure on the increase in the pensions,’ which the Greens have, of course, initiated debate on in this place and want to see passed this week.

Senator FIELDING (Victoria—Leader of the Family First Party) (12.33 pm)—by leave—I am not going to grandstand on the issue, but pensioners are doing it tough and for the Senate to delay a debate on the pension would be sending pensioners the wrong message. We call on both the major parties to look at a way of supporting a debate on the bill and maybe going through to the second reading pretty quickly so at least we can get to the issue. Frankly, if pensioners are listening to this debate and hearing that some people are wanting to stall and delay before we have a debate on the issue, that would be sending them all the wrong signals. Family First want to have this debate on pensions as quickly as possible.

Senator XENOPHON (South Australia) (12.34 pm)—by leave—My position in relation to the opposition’s motion is this. I agree with Senator Brown that there is a link between a measure that will obviously cost more for taxpayers and tax-raising measures, but it is clear that there is a great deal of urgency and concern in the community about the issue of pension increases and how pensioners are doing it tough. My position is that there ought to be a debate up until the second reading stage of the opposition’s proposed bill. But, in relation to the third reading stage, given that Senator Fielding is moving a second reading amendment, I think the responsible thing to do is to look at the cost implications of the other measures that are being put and for the third reading stage to be delayed for further consideration in order that we can go through the process of looking at the ramifications of the bill and any amendments.
Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (12.35 pm)—by leave—The Labor government treat the issue of income and support for pensioners very seriously. That is why we are deeply depressed and disappointed by the opposition’s failure to treat this issue with the seriousness it deserves. We know that a week and a half ago the opposition said this was going to be their priority in parliament. A whole week went by when they fought among themselves over their internal machinations, and nothing occurred for pensioners other than two rather poor questions asked of me in the parliament. That was the extent of the effort. I take on board what Senators Brown, Fielding and Xenophon have said and indicate that it is not our intention to debate or delay decision making by debating a suspension. It seems to us that that does not assist the Senate. The government is focused on trying to get its budget measures through this parliament. The opposition have embarked on a schoolboy tactic of trying to talk out the second reading of the debate indefinitely so that we do not get to the substance of the issues. I think out of fear that they may not get what they want out of the committee stage of the bill. Their behaviour is unexplainable and inexcusable.

The government want to get on with government business; we want to get on with passing the budget at a time when Australia is under enormous external financial pressure and the instability of international markets is putting pressure on all economies. We want our budget passed, we want our surplus maintained and we want to have the capacity to provide the protections for Australians—families, pensioners and others—that are necessary. So, we will not delay the Senate by arguing the detail of suspension, although this is an unprecedented move by the opposition. Never before has there been a suspension moved by an opposition to bring on an appropriations bill. Our view is that it is clearly not constitutional. I know the Clerk has provided alternative advice; but we have advice from other sources. With all due respect to the Senate Clerk, he is not infallible. On occasions he may be wrong. On this occasion we argue that he is wrong. We all know that this bill, if passed by the Senate, will not be debated in the House of Representatives. We support the advice that for it to occur in that way is unconstitutional.

This is nothing but a stunt, but the issue at stake, support for pensioners, carers and those on disability and veterans pensions, is important. Look at the whole approach of the opposition here: first of all it was a bill only about pensioners, which ignored veterans, carers and those on disability pensions. Today they have thrown in veterans as a sort of afterthought. But this is clearly a stunt rather than a serious contribution to the issues that are at stake here. The government have outlined a serious piece of work to try to come to terms with the financial pressures pensioners are under. I indicate on behalf of the government that we are prepared to have the debate on the substantive issues rather than on suspension because we actually want to get on with real government business. The opposition ought to think about their position in seeking to delay budget bills. We have put a proposition that we will sit extra hours. We are keen to get on with it. We are already in late September and we are still debating budget bills. The opposition is still refusing to let us debate the questions that were contained in the May budget. This is not responsible.

Senator Minchin—The luxury car bill has already been defeated. You will not accept the Senate result.

Senator CHRIS EVANS—Senator Minchin would well know that we are acting
in total accordance with practice and procedure of the Senate. If there had been any problem with it Senator Minchin well knows he could have made that procedural argument. He knows that is not right. What we have is petulant behaviour by the opposition—absolute petulance—made worse, I suppose Senator Minchin, by your sacking from the defence portfolio, I understand. But that is not the point.

Senator Ian Macdonald—Mr President, I raise a point of order. Did the Senate give leave for a short statement or for a long argument and political speech by the leader?

The President—There is no point of order.

Senator Chris Evans—I deliberately sought permission for a statement, Senator. You should listen.

Senator Ian Macdonald interjecting—

Senator Chris Evans—I think it is an important issue. We are not seeking to delay the debate. I was not aware of the various positions the Independents and Greens were taking until just before or as they spoke. Our view is that if the opposition are to persist with this we would rather deal with it on its merits and put our case and move on. There is important government business that needs to be transacted. I appreciate the sentiments Senator Brown outlined. I think they are important. I have not gone to the detail of whether we adjourn at the second reading or the third reading. That is a question for the chamber. We will not be seeking to divide on the suspension if it is supported by a majority of the Senate. So if the opposition get support in the chamber for the suspension then we will look to debate the substance of the bill. But I do think that the opposition ought to think carefully about how they seek to use the time of this chamber and accept responsibility as an alternative government in relation to the budget. The Labor government will debate the substance of the issue rather than seek to delay the Senate by having a long debate about procedural issues.

Senator Ellison (Western Australia) (12.42 pm)—by leave—Let me make it clear that the opposition have said to the government that we will comply and cooperate with reasonable requests for extra time for the debate this week on those budget bills. The condensate bill has been on the Notice Paper before but it was put off. We have had previous bills where government senators have far outnumbered non-government senators. We have examples of that. We stand ready to cooperate with the government to get these budget bills through this week. In relation to this particular issue it was Senator Evans last week who criticised the coalition for not taking pensioner issues seriously and he himself said that it is important that this parliament do all it can to support pensioners. This is precisely what this is about.

In relation to the procedure at hand, I have sought to move a motion. I can agree to amend it to accommodate the concerns of Senator Xenophon and the canvassing of the second reading amendment by Senator Fielding. I will therefore be seeking leave to amend the motion to provide that general business notice of motion no. 200 for the introduction of the Urgent Relief for Single Age Pensioners Bill 2008 be called on immediately and that the bill have precedence over all government business until it is read a second time.

That would accommodate Senator Xenophon’s concern in relation to the third reading of the bill. I impress upon Senator Xenophon and Senator Fielding that this is a way of dealing with this issue and its urgency but also accommodating both Senator Fielding’s ability to put forward a second reading amendment and Senator Xenophon’s wish that it not proceed to a third reading at this
stage. We would simply be moving that the bill have precedence but only up until the second reading vote is taken. That is what the coalition are now seeking to do.

I amend the motion to read as follows:

That general business notice of motion No. 200, for the introduction of the Urgent Relief for Single Age Pensioners Bill 2008, may be moved immediately and have precedence over all government business today till the bill has been read a second time.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.45 pm)—As foreshadowed, I move on behalf of the Greens that the motion moved by Senator Ellison be amended as follows:

Omit “immediately”, substitute “immediately after the Senate has completed consideration of the orders of the day relating to the Tax Laws Amendment (Luxury Car Tax) Bill 2008 and three related bills, the Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008 and the Excise Legislation Amendment (Condensate) Bill and related bill”.

I move this amendment because the Greens are firmly of the opinion that the bills should be dealt with in the order that we deal first with the bills which are to raise some $3.274 billion over four years and then proceed to the opposition bill to increase the single age and veterans pension by $30 a week. I can foreshadow that we will move to extend the single age and veterans pension increase to people who are on disability pensions as well.

There was a filibuster from the opposition at the end of last week, and we want to see these matters comprehensively, properly and seriously dealt with. Our proposal, particularly in view of the fact that we will be sitting longer hours this week, is to deal with the three government revenue-raising bills and to then bring up the expenditure bill. We can deal with all of those. If it is done in that order then the pensions bill can be taken through to determination later this week.

Of course, this does not at all interfere with the urgency of any of the matters, and I can tell senators from long experience in this place that if this course of action is supported and taken, we will get the same outcome but we will get a much more concentrated, pertinent and serious debate in the chamber in the coming few days. We have put forward this proposal seriously. It does not amend the outcome, but it does responsibly alter the trajectory to that outcome.

I would counsel the government to think again about not supporting this course of action. It is obviously in the interests of the government to get its revenue-raising legislation dealt with and determined, one way or another. The course of action that the Greens are putting forward will concentrate the minds of the Senate on that task because of the generally felt urgent nature of the Greens longstanding policy to have the pension increased by $30 a week in the way stated in the opposition legislation and which is now coalition policy, although it was not at this time last year.

I say to the government and to all members of the chamber: you ought to support the Greens amendment so that we can best get an outcome on all six pieces of legislation by the end of the week.

Senator FIELDING (Victoria—Leader of the Family First Party) (12.49 pm)—This amendment may be well intentioned, but it is sending pensioners all the wrong signals—that we are willing to debate other issues before their needs. Frankly, I think we have taken so long to get to the point where we can actually have a decent debate on pensioners in this chamber that to delay it a minute longer would be foolish. I am making a short statement now, but I think we need to get to the issue. Family First will be moving
a second reading amendment that we will need to get to about increases for disability pensioners; the parenting payment; carers, who are doing it tough; wife pensions; and all of those others. So we do not want to delay this at all. We want to make sure that pensioners get a fair go and a fair say in this chamber now rather than delaying it for other issues. The amendment put forward may be well intentioned, but it would stall the issue of the debate, which is giving real help to pensioners in need and giving them a fair go.

**Senator XENOPHON** (South Australia) (12.50 pm)—I maintain my position that I believe that the appropriate thing to do is to deal with this motion. I cannot support Senator Brown’s amendment, but Senator Brown does make a good point in that if you want to give pensioners something more, the money has to come from somewhere, and there are $3.27 billion of revenue measures that are being debated in this chamber that I believe need to be dealt with sooner rather than later. My concern is this: I think we should send a signal to the community that the issue of pensions is an important one. It is a priority issue, and I note the work that Senator Brown, Senator Fielding and others have done in raising this as an issue.

I believe that the appropriate thing to do is deal with the age pensioners bill up to the second reading stage; but can I say, in terms of the matters implicit in Senator Brown’s amendment, that I think the people of Australia do want us to get on with legislation, get on with the luxury car tax, sooner rather than later and, whilst I respect the right of every senator to speak on every bill, I wonder whether some in the community would see this as a delaying tactic on the part of the coalition in respect of the luxury car tax measure. I hope we can deal with that sooner rather than later.

**Senator ELLISON** (Western Australia—Manager of Opposition Business in the Senate) (12.51 pm)—I will place on record the reason for the coalition’s rejection of the Greens amendment. I can understand what Senator Brown is saying. But we are of the view that this is a matter of great urgency. In fact, members of the Greens have indicated how much they think this is important. We have heard statements made by the Greens that there should be a $30 increase for pensioners. We appreciate the concern that the Greens genuinely hold. We believe that this is therefore a matter which should be dealt with as a matter of urgency.

We certainly have other bills. We can deal with them during the course of the week. The tax bills will be dealt with this week; there is no question of that. But this is an issue which is important here and now. I agree with the comments made by Senator Fielding and Senator Xenophon. We have to send a clear message to pensioners in Australia that we understand their plight. There is an urgent need for their plight to be addressed. This bill is a first step in that direction.

The tax bills have been moved around the Notice Paper. We have seen a great deal of fluidity there. As I said, the condensate bill was to be dealt with prior to the Western Australian election, but then was put off until afterwards. We believe that we have cooperated fully with the government’s legislative program. We will continue to do so and provide extra time. We think that Senator Xenophon’s suggestion that we go up until the second reading vote is taken is a good one. That also accommodates debate on Senator Fielding’s amendment, and we think that that is a reasonable situation.

For those reasons, we cannot agree with the Greens amendment, although we understand the reasons for Senator Brown moving it. We say with respect that this is a matter of
great urgency. It needs to be dealt with now. We can still deal with those other bills during the course of the week.

Question put:

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

The Senate divided. [12.58 pm]

(The President—Senator the Hon. JJ Hogg)

Ayes………….. 5
Noes………….. 60
Majority………. 55

AYES
Brown, B.J. Hanson-Young, S.C.
Ludlam, S. Milne, C.
Siewert, R.

NOES
Abetz, E. Adams, J.
Arbib, M.V. Barnett, G.
Bernardi, C. Bilyk, C.L.
Birmingham, S. Bishop, T.M.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Bushby, D.C.
Cameron, D.N. Cash, M.C.
Colbeck, R. Collins, J.
Conroy, S.M. Coonan, H.L.
Cormann, M.H.P. Crossin, P.M.
Eggleston, A. Ellision, C.M.
Evans, C.V. Farrell, D.E.
Feeney, D. Ferguson, A.B.
Fielding, S. Fierravanti-Wells, C.
Fifield, M.P. Fisher, M.J.
Forshaw, M.G. Furner, M.L.
Hogg, J.J. Humphries, G.
Hurley, A. Hutchins, S.P.
Kroger, H. Ludwig, J.W.
Lundy, K.A. Macdonald, I.
Marshall, G. Mason, B.J.
McEwen, A. McGauran, J.J.J.
McLucas, J.E. Minchin, N.H.
Moore, C. Parry, S. *
Polley, H. Pratt, L.C.
Ronaldson, M. Ryan, S.M.

* denotes teller

Question negatived.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.01 pm)—I will move to amend the motion which says that the pensions bill has precedence over all government business until it is read a second time and go back to the words “till determined”. We have had a debate about how the pensions bill must be determined because it is the most urgent matter. We are moving into a situation here where the Senate is agreeing to that sentiment but not carrying it through. It is not logical. So I move this amendment to say that if we are now going to give the pensions bill precedence over the revenue-raising bill, let us determine it. Let us not get to the second reading and leave it to some other time indeterminate into the future. Senator Fielding will have to vote for this amendment on the basis of the argument he gave a moment ago. It is logical and sensible and proper procedure in bringing this bill on for it then to be determined, not left to the second reading for some future indeterminate time for resolution. We are in support of the pensions being increased. Let the Senate, now that it has determined to deal with that bill, deal with it completely. Therefore—by leave—I move:

Omit “the bill has been read a second time”, substitute “determined”.

Question agreed to.

Original question, as amended, agreed to.
URGENT RELIEF FOR SINGLE AGE PENSIONERS BILL 2008

First Reading

Senator COONAN (New South Wales) (1.04 pm)—I move:

That the following bill be introduced: A Bill for an Act to amend the Social Security Act 1991 and the Veterans’ Entitlements Act 1986 to increase payments to single age pensioners by $30 per week, and for related purposes.

Question agreed to.

Senator COONAN (New South Wales) (1.05 pm)—I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator COONAN (New South Wales—Manager of Opposition Business in the Senate) (1.05 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

URGENT RELIEF FOR SINGLE AGE PENSIONERS BILL 2008

This bill entitled Urgent Relief for Single Age Pensioners Bill 2008 is being introduced by the coalition to promote urgent and immediate relief for Australia’s single age pensioners who are finding it virtually impossible to live on the basic pension of $273.40 per week.

This bill provides for an immediate additional payment of $30 per week for recipients of the single age pension, recipients of the widow B Pension, and recipients of the single service age pension.

It has become necessary to take this action for these pensioners following the failure of the government to take any steps to remedy the financial stress being experienced by Australia’s most vulnerable citizens in the immediate future.

The coalition has stepped into the breach left by the government’s failure to act, following admissions by the Prime Minister and other senior ministers in the government that he, and they, would not be able to live on the single age pension.

The government’s inaction on pensions has been rightly condemned across the board. It has been compounded by the receipt in March 2008 of an 83-page submission by the Treasury addressing the inadequacy of the pension and generating options to address this need. The government has made it abundantly clear that no action will be taken until the completion of the Harmer review in February 2009 which in turn will feed into the Henry review on taxation. This is not due until the end of 2009 which means that relief for pensioners will be effectively postponed until 2010 at the earliest. This is simply not soon enough to meet the urgent and immediate need of single age pensioners for relief from the increasing cost of living pressures.

The case for an immediate increase is compelling. The Senate’s own committee inquiry into the cost of living report presented in March 2008, outlined in detail the critical circumstances of many pensioners due to the increased cost of living since November 2007, and the Howard government’s last budget.

The coalition in government had a strong record of assisting aged Australians, introducing the utilities allowance in 2005 to assist older Australians with meeting everyday household bills such as electricity and water. The coalition government increased the pension by 57 per cent in normal terms or 24 percentage points above inflation. This was through good economic management and adjustments to the pension when needed.

The coalition government legislated to set the maximum single rate of the pension to at least 25 per cent of male total average weekly earnings, MTAWE. This meant that whenever pensions were adjusted for increase in the CPI, and the pension rate fell short of the 25 per cent MTAWE then there would be a top up equivalent to 25 per cent of MTAWE and, in addition, provided three one-off bonuses.
The coalition accepts that single age pensioners must have urgent relief to meet essential cost of living pressures and that they cannot wait until the Henry review is completed as proposed by the government.

The provisions in this bill will not stop or inhibit the deliberations of the Henry review, but it will provide immediate relief to our most vulnerable citizens.

Due to the careful fiscal management of the former Howard government, the Rudd Labor government has inherited surpluses of $94.4 billion dollars over five years. The government has inherited a strong fiscal position and can responsibly re-order its priorities to assist Australia’s most financially disadvantaged age pensioners who are faced with unjustified delay.

This bill will increase the single age pension, single age service pension and widow B pension by $30 per week, with effect from 20 September 2008.

The single age pension will increase from $273.40 per week to $303.40 per week. (The coalition notes that the single pension is set to increase to $281.05 per week from 20 September as a result of indexation.) So a $30 increase on this will bring the single age pension to $311.05. It will result in the single pension currently at 59.9 per cent of the couple pension, to being 66.4 per cent of the couple pension.

This one-off boost to the age single pension is the first step by the coalition to deliver a comprehensive policy in relation to pensions, income support, veterans support and carers over time. Assistance for single age pensioners is an immediate priority due to the urgent circumstances facing many recipients struggling to cope with escalating costs of living. The coalition will continue to address the further concerns being raised by pensioners and pension groups.

The coalition recognises that the single service pension is not a welfare payment, however for the purposes of this bill, the term ‘single pensioners’ refers to single recipients of the age pension, widow B pension and the age service pension.

The number of pensioners who will be affected by the provision in this new bill is 928,834 Australians, at a cost of $1.45 billion dollars.

The total of 928,834 pensioners includes 857,229 single age pensioners, 700 widow B pensioners, and 70,905 single age service pensioners.

The Rudd government has a $21 billion dollar surplus this current year inherited from the Howard government’s strong fiscal management in previous years, and must enable this immediate relief to flow to single age pensioners.

The coalition calls on the government to expedite further urgent consideration of the needs of all pensioners who cannot wait until 2010 for a comprehensive and thorough response to their needs.

The government must not dither and hide behind reviews while Australia’s most vulnerable age pensioners are living under unbearable financial stress.

I commend the bill to the Senate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.07 pm)—The very fact that there was a wait there to determine if there were further speakers on this bill points to the failure of the opposition itself to be prepared for an extremely important piece of legislation. This is an opposition that wants to control the Senate but cannot control its own business in the Senate. That is why I moved earlier to have the Urgent Relief for Single Age Pensioners Bill 2008 dealt with later in the week. This is critically important legislation—and it is procedurally quite historic as far as the Senate is concerned—and it ought to be given due consideration.

Let me point out to the Senate that the Greens initiated this debate in this place during the tenure of the Howard government—with the coalition in government. We had been increasingly aware of the travail of more than one million pensioners in this country at a time of soaring costs for rent, food, transport, health and for the simple things that make life pleasurable, which many pensioners were going without. So we decided we would campaign strongly on this issue during the last election campaign. Nei-
ther the opposition of the day, the Labor Party, nor the government of the day, the coalition, supported the Greens in the election campaign when we were calling for both parties to commit to a $30-a-week increase in the pension.

But we have seen a change, certainly in the coalition benches, and now a proposal by the government to review pensions in the wake of that election because of the rising tide of frustration by pensioners and anger in the Australian community that pensioners have been so neglected for so long, including during the 12 budgets of the Howard government. MPs salaries were rising rapidly and CEOs salaries—and we know about them; millions of dollars per annum, even when CEOs failed their corporations—were going to obscene levels that were not warranted by the performance of the few people who were given that enormous largesse. And, generally, wages in Australia have been increasing at a rate above that of former wage earners, in the form of one to two million pensioners, who contributed so much to this country. The Greens proudly continued to argue that pensioners should get an increase.

I want to pay tribute to pensioners themselves and to their organisations. They do not want to get out on the street and protest. They do not want to have to be haranguing governments, but they saw the most extraordinary double standard brought in by the big parties. During the election campaign both the then Prime Minister, Mr Howard, and the then Leader of the Opposition, Mr Rudd, committed in the first week to $31,000 million in tax cuts over three years. That was on top of $20 billion in the 2006-07 budget. Over $50 billion in tax cuts was loaded towards the rich end of society. The richer you were the bigger the windfall. Pensioners got nothing.

In the 2008 budget, the first budget of the Rudd government, that was how it stayed. The big end of town got an enormous windfall through the tax cuts, which by the way needed no inquiry, no investigation—nothing at all. It was simply the Prime Minister saying, ‘I am keeping an election commitment where I follow through the Howard policy of fostering the big end of town while the small end of town gets nothing—not a razoo.’ There was a $500 one-off payment—the same as there was in the last Howard-Costello budget. They were saying, ‘Get us through the election on $500 arriving in your letterbox just before the election. Vote for us’—then nothing. It is like the tax cuts, which go on and on with massive amounts of money going to the already rich but nothing going to the poor. And they added a utilities bonus. It was something like—on my quick calculation—a couple of dollars a week to help out with paying bills. And it was at a time when the increase in the costs for pensioners took that away before they got it.

What has happened here is an appalling disregard for people who cannot speak up and are not seen around the halls of power. But there have been huge windfalls for those who have got lobbying buildings just across the way from Parliament House and come in here and have an open door to the office of serial prime ministers and ministers.

This is manifestly unjust—a breakdown, really, in the democratic process, if you consider that everybody is of equal value in the society that you represent. So the Greens have campaigned down the line. Seeing the traction in this campaign, the opposition, Family First and others have come aboard. That is a good thing because, if you are going to develop policy, you have to hear and see the need for it rising in the community.

Today, this has now become so politically potent. With the government saying to pen-
sioners, ‘Wait till next year,’ the coalition have done a 180-degree backflip. At the last election they said, ‘No, we won’t give a $30 increase.’ Now they are saying, ‘We not only insist on a $30 increase; we have to have it today.’ So they circulated a bill, encapsulating the Greens policy, on Thursday and, because of the politics of it, it is before this chamber this afternoon with such rapidity that they cannot supply a second speaker. When the shadow minister sat down after a couple of minutes, which was all she could give to this bill, there was not another opposition speaker to get up—not one. What a travesty.

There is no depth or determination in this matter, as far as this opposition is concerned; it is a political manoeuvre. This is really an indictment of the opposition. I know they are distracted with leadership matters, but we are here seeking leadership on behalf of the pensioners of this country. The opposition, having introduced the bill, cannot supply a second speaker and cannot even get a shadow minister to put 20 minutes into the bill. Having brought on this bill so rapidly, with no time for a Senate inquiry—we will hear about the urgency of it from Senator Fielding; there was no move for a Senate inquiry from him—the opposition suddenly says, ‘We’re going to deal with this through the second reading, and we have an amendment from Senator Fielding listing other pensioners who should be added into this mix, but there will be no inquiry.’

I ask the opposition: should you not at least be costing this matter before the Senate? Where are your estimates of how much this will cost? I moved earlier that, to enable those matters to be at least earnestly looked at, we bring up the three bills which have been costed by the government and have been a matter of considerable community debate and have them dealt with because they are to raise revenue. The revenue would not be the same amount but it would be in the order of some billions of dollars, which could help pay for the opposition’s pension increase.

Do you know what is going to happen? The opposition are going to oppose those bills. They are going to say, on the one hand, ‘Spend $2 billion or $3 billion’—and it may end up being more than that—to give pensioners what they deserve.’ But, on the other hand, they are going to say, ‘We will not support legislation on luxury cars, on condensate’—this multibillion-dollar windfall for Woodside and other big corporations where the executives get multibillion-dollar take-home pay—‘or on the Medicare levy. We won’t support the government getting that revenue, but we want to take out of the exchequer some billions of dollars.’ I say that that is not responsible. I say that, if you are going to deal with an increased expenditure coming out of the Senate, you need to look at how you are going to raise that money. If you do not think it should be through the condensate bill on the big oil and gas corporations, tell us: where are you going to get it from?

I will tell you where the Greens would get it from. Mr Acting Deputy President Hutchins, you were here when we alone, not Senator Fielding or anybody else, went to the other side of the chamber to vote against the tax cut across the board for the big end of town. We said, ‘Here is more money than is required for these pension bills and it is a responsible thing to put that money aside to pay for these pensions.’ I am going to listen carefully to Senator Fielding to see where he is going to get the money from. He supported the tax cuts; let us hear from Senator Fielding in a minute where he is going to get this money from. He is going to tell us that this is urgent and must be dealt with today, although earlier on he was saying, ‘I support a motion to get it through the second reading.’
The Greens have rescued that dislocation of this process by saying, ‘If you must deal with this bill, let’s deal with it to a determination. If you can vote on it at the second reading, you can deal with the bill.’ I submit, as we did at the outset, that this is back-to-front; this bill should be dealt with after the three revenue-raising bills. But the chamber has determined another way. So there is a challenge to other members of this chamber.

We foreshadow that we will amend the bill to include a $30 increase for single disabled pensioners—pensioners on disability pensions—as well. We put the cost of that, along with the veterans and single age pensioners, at $2.26 billion. I say to all sides of the chamber here, ‘Responsibly look at how you are going to deal with the need to raise that money.’ If you do not like the Greens saying, ‘Take it off the tax cuts of people earning more than $75,000 a year’—which includes MPs—state where you are going to get it from. It is not up to the Senate, I believe, simply to say ‘spend more money’, unless it responsibly says, ‘and here is where we will get it from’. The Greens have already done that. We would revisit the tax cuts for the already wealthy if need be. That is not going to happen, so let’s at least look at the revenue-raising bills that the government has brought in here.

Let me say this: the opposition’s procedure in here today is a debacle. It is extraordinary to race such an important bill, with such a multibillion-dollar price tag attached to it, into the Senate the working morning after it was circulated and then not be able to supply a second speaker to such an important and urgent piece of legislation. I have never seen that happen before in my 11 years in the Senate—not ever—and I have seen some defaults on responsible procedure in this place. But this is an opposition which, for 11 years, turned its back on pensioners and their need to get an increase. It has changed that since the elections and said, ‘Now we support single pensioners getting an increase of $30 until the next budget,’ which is when the Greens hope we will see a $100 increase across the board for pensions. But the opposition supported the tax cuts. They supported the big end of town getting the money as a priority. Now they have brought this piece of legislation in because the plight of pensioners is embarrassing; it is awful. It is just terrible that people out there who worked all their lives for this country have to count their 5c pieces to wonder whether they can afford to catch a bus to visit their children or their grandchildren.

I was in Port Macquarie during the Lyne by-election and a pensioner said to me: ‘We have a little group that meets and we talk about these things. When we go home on these winter nights we go to bed at eight o’clock and listen to the radio because we cannot afford to have the radiator on. It puts power bills up to a point where we can’t afford them.’ That is just terrible in this wealthy country in 2008, but that is the situation that this opposition, which has rushed this bill in today, which cannot supply a second speaker and which could not elaborate in the second reading speech effectively, has now taken to heart. I hope they have taken it to heart and I hope we do get a good debate out of this. I also hope it is not simply one person on each side saying: ‘Vote for it. Get it out of our way. We have done our token observance of the need to address the problems of pensioners, now let us get on with other political matters.’ I sense that is what is happening here. I earnestly say that should not be happening here.

This matter should have been before a Senate inquiry. We have had them in the past but not to address this legislation. The urgency we are going to here prevents that now. But the urgency here does not prevent the opposition coming in to persuade the
government to adopt this legislation through the full force of reasoned argument, and that is missing. If the bill were to fail or if it fails in another place should it get through here, it would be because this opposition did not come prepared and was not fair dinkum. (Time expired)

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (1.27 pm)—I do want to speak on this bill because I think the issues that underpin it are very important. The issue of the capacity for people to sustain an adequate lifestyle on the age, disability or veterans pension is an issue fundamental to a fair society. It is a really important issue. Millions of Australians rely on their pension payment for their standard of living and that means that the public policy in this area and decisions of this parliament in this area are vitally important to the living standards of millions of Australians.

So it is not something that should be considered in a politically charged atmosphere or for some momentary political advantage. It ought to be the subject of serious public policy debate and serious analysis about the way forward. What we see today is a stunt by the Liberal opposition to try and make themselves politically popular by being able to say: ‘Oh well, we will just give $30 a week to pensioners, pass it through the parliament. It is all fixed, problem gone away.’ Senator Brown makes a fair point that he, Senator Fielding and others have engaged in this area for a while now, and we had a very good Senate report into the issues. That contribution to the debate has been important. But stunts like this one today do not advance the cause. The Liberal opposition know it is not going to advance the cause, they know it is not going to achieve anything, they know it is a political stunt, but still they persist. They said to us it was urgent not this last weekend but the weekend before. Here we are, 10 days on, before they do anything about it.

I am the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs in this chamber and I got asked two questions about it last week. Of all the opposition questions, I got asked two, and they did not introduce the bill as they had promised. They spent their week fighting internally about who would be leader and who would have the spoils of opposition. So they are not serious about it. They are trying to take pensioners for a ride and I think pensioners will see through this, because what pensioners fundamentally understand is that the Liberal-National Party were the government for 11½ years. They had 11½ years to change the basis upon which the pension is calculated and in each of the budgets they brought down they decided not to.

We know from former Treasurer Costello’s memoirs that it went to their last budget. Mal Brough took a proposition to increase the rate of the pension to their last cabinet meeting. Senator Coonan and Senator Minchin were in the room when they voted not to do anything about it. So the people who come into this chamber now and say this is their highest priority, that it is a national disgrace and that we are heartless in not responding are the people who sat in the cabinet room less than 18 months ago, and, on the 11th or 12th occasion, took the decision to do nothing about this. The crisis is one they have only discovered in their nine months in opposition. Quite frankly, no-one takes them seriously. I think people acknowledge that this is the lowest of political acts, that they now express concern after 11½ years of doing nothing. So I do not take the opposition seriously on these issues. Their mock outrage does them no credit at all.
The Rudd Labor government accept that there is a problem. We accept that pensioners are doing it tough. We acknowledge that, despite the indexation of the pension, with rising inflation and rising costs more generally Australia's pensioners are doing it very tough indeed. Those without other income support at all, particularly those who rent privately, do it tough because they are also confronted by rents. People who own their own homes are marginally better off, but those who live solely on the pension and who are in private accommodation are particularly in need. All pensioners are doing it tough and this storm has occurred because government ministers have been honest. When asked, senior government ministers—the Treasurer, the Prime Minister, the Deputy Prime Minister and I—have made it very clear that we accept there is a problem. We accept that it is an issue that was not addressed in the 11½ years of the previous government.

On coming to government, we acknowledged the problem and we accepted our responsibility to do something about it. In the few months while we framed our first budget, we took a decision to make a down payment on the needs of pensioners—not just age pensioners, I might say, but veterans, people on the disability pension, carers and others. We said we recognised their needs, so in the budget we committed in excess of $5 billion over the budget period to increase the income paid to pensioners. We did not fiddle with the base rate because we knew that was a terribly complex piece of public policy that would need to be dealt with properly. We announced that we would pay a $500 bonus to each of those persons on the pension and, in addition, we would increase the utilities allowance by $400 a year.

The Liberal Party advisers may snigger, but we actually made a serious attempt to provide some relief. The $400 increase in the utilities allowance and the $500 bonus adds up to $900 a year, approximately $17 a week if you want to average it out over the period. That was a substantial contribution to try to alleviate in our first budget some of the serious financial pressures impacting on pensioners. Of course, in accordance with the long-accepted CPI indexation of pensions, from the other day—20 September, I think—there was an adjustment in the single pension of, I think, $15.30 a fortnight. Again, it is not a huge amount but a measure which increases the base rate of the pension by $15.30 a fortnight, in addition to the $900 a year, or $17 a week, this government put down in its first budget.

In putting down our first budget we acknowledged that there was a fundamental problem. We acknowledged that, by themselves, these one-off payments were not addressing the underlying problem of the adequacy of the pension and its capacity to keep people in a standard of living which is acceptable in a successful economy. We undertook to include in the taxation review a specific look at the questions of the social security payments—but not just, as in this bill, by trying to pick one out and say, 'We'll make a play to the pensioners,' or 'We'll make a play to the veterans.' In our first budget, we spread the utilities allowance to those that had not been getting it under the previous government. We increased it and spread its availability to carers and to people with a disability. So we expanded the payment to a new group of people as well as adding $400 to the payment. But, as I say, in addition to those measures we have undertaken a fundamental review of the rate of the pension and its role in supporting millions of Australians. That review will report to the government by February, and that will underpin policy that this government will take forward in the next year and obviously also in the budget context.
This is an important public policy area. It is not an area where there should be stunts. The age pension is worth $25 billion a year. It is the single largest piece of Australian government expenditure. The disability support pension is worth more than $9½ billion a year. The carer payments are worth about $2 billion. This is major public policy and major government expenditure that are important to the whole fabric of our society. This is not something you deal with with a stunt—having a private member’s bill done on the run and amending it the day before it comes in. That does not allow any government to responsibly respond.

There are 3½ million Australians on some form of pension. Whatever we do we have to get right. It has to be considered, balanced and fair—and you do not do that with short-term stunts, by trying to ram a private member’s bill through the parliament in a matter of days. You are pretending to do something real, knowing that it will not pass the House of Representatives and knowing that the government has the matters in hand and is trying to respond.

It does the opposition no credit to carry on in this way. After 11½ years of doing nothing, they have huge gall in coming into this chamber and saying: ‘We’ve had a conversion on the road to Damascus; we have suddenly discovered there is a problem and we have suddenly discovered our social conscience. We now think the new government—the government that defeated us at the last election—ought to immediately do a range of things that we were unable to do in 11½ years. We did not rate this as a priority for 11½ years, but now it is a priority.’

I know that this proposition is disarmingly attractive. It rolls off the tongue very easily—$30 a week for pensioners. The Greens were at $60 or $70 the last I heard. Maybe Senator Fielding will up them and make it $100. It is easy to say and it is very easy for minors and Independents to argue. They do not have to balance the budget. They do not have to deal with the complex public policy issues involved. They do not have to make sure that the Australian economy is steady with all that is going on around us in international financial markets. It is a really easy headline. It is really easy to get a clap at a pensioner meeting, but that is no substitute for the serious work of this parliament and the serious work of government in public policy.

We do acknowledge the problem. I will argue strenuously that we made a serious down payment in the budget to try to provide immediate help to pensioners. That serious financial commitment has not been widely understood. That was a failure by us in terms of the politics and selling that to the people, making them aware of what we had done in the budget. But we are taking the issue very seriously. We are trying to deal with the enormous public policy issues at stake.

People ought to understand that the pension is at the heart of Australia’s social security system. Moving the pension has hundreds of knock-on effects in areas quite new to me—and I had the portfolio for a while when in opposition. There are myriad connections everywhere in the social security system and they are very complex. It not only affects the pensions; it affects who comes into the pension net and it affects the capacity of a person on a pension to earn other income. Many pensioners who currently rely on that other income will find themselves taxed at a higher rate if this measure is passed. People’s family tax payments will be affected—

Senator Coonan—No, they won’t. It doesn’t affect the base rate.

Senator Chris Evans—Senator Coonan interjects. She was this morning bus-
ily cobbling together an amendment to throw veterans in. Where are the disability pensioners in your bill? Where are the carers in your bill? Forgotten and ignored. People who are just as deserving have been totally ignored.

Senator Coonan—They’re not in yours.

Senator CHRIS EVANS—Because, quite frankly, it is a stunt. You know it is a stunt. Senator Coonan, you were at the cabinet meeting when Mal Brough put it up; you knocked it over. So do not come in here and lecture me on compassion. You had 11 years to defend this and you did nothing for 11 years.

The ACTING DEPUTY PRESIDENT (Senator Barnett)—Order! I remind senators to be orderly and to address their remarks through the chair.

Senator CHRIS EVANS—It is a complex area of policy. That is why we have put in place this fundamental examination of the issues at stake. That is why we have sought to include the concerns of carers and those on disability pensions and those on veterans pensions—unlike the opposition. We realise that there are a lot of people living on these pensions whose livelihood and standard of living depend on these payments.

We realise that there are a range of complexities that impact on other payments and other entitlements throughout the social security system. It is not simple, but that is not a reason not to do something. Unlike the former government, we actually took on the responsibility of trying to make a difference in this area but we will do that in a proper, measured and considered way. We made a down payment in the last budget—with immediate relief of $900 a year for most pensioners—and we seek to take forward that work in a more fundamental way as the review reports and as we prepare for next year’s budget. Sure, we did not fix all of those problems in the three or four months we had prior to the last budget. We acknowledge that. But the complexity of it means that one is not capable of doing it without serious public policy work.

The opposition come into this chamber now and say to us that they can cut 5c off the price of petrol, they can lower personal income tax rates, they can increase the pension by $30 a week, they can protect luxury car owners from having to pay tax and they refuse to close a tax loophole that allows Royal Dutch Shell, Chevron and BP to exploit our mineral resources without paying appropriate taxation. In doing all that, they will demolish Australia’s surplus, Australia’s savings. This is what passes for economic policy inside the Liberal Party these days.

Australians are not mugs, so do not treat them as mugs. Australians know that, in government, the coalition did not cut the price of petrol. They know that the coalition did not increase the rates of pensions. They know that the coalition are snake-oil salesmen. Despite arguing all the time they were in government that they needed big surpluses, now they are in opposition the coalition are saying: ‘We do not need a surplus. Despite the terrible economic conditions that are occurring internationally we do not need any protection against that. We do not need a surplus. We do not need to have luxury car owners pay tax. We do not need to have big oil companies pay tax and, by the way, we can cut 5c off your price of petrol and we can increase pensions.’ Suddenly in opposition they can be all things to all people—all care and no responsibility.

The realities of government are quite different. You have to act responsibly. You have to balance all the other pressures in the economy. You have to try and make good public policy. This government is committed to making good public policy. It is commit-
ted to addressing the challenges the economy is confronting, and it is also committed to giving a better deal to Australia’s pensioners, veterans, carers and to those on the disability pension. All of them deserve our consideration. All of them deserve greater support. This government has acknowledged that.

We get criticised now for acknowledging it, but we are honest. We actually believe that there is a problem that needs to be addressed. We made a serious down payment in our first budget and we have undertaken to do the serious public policy work that will need to underpin any major reform in this area.

Serious, hard public policy work will involve very difficult choices for the government, and eventually very difficult choices for this parliament, but it is not as simple as some would have you believe. Australia’s pensioners are not mugs. They know that the Liberal and National parties did nothing for 11½ years and they know when the coalition come in here now and promise pensioners the world that they are speaking with forked tongues. Pensioners know that you are holding out false hope. They know that you did not do anything for them in government and that when you now say that you can fix all the woes of the world you are misleading them. This is a serious matter and this government treats it seriously but we will respond in a serious, balanced and mature way, not by supporting political stunts.

Senator FIELDING (Victoria—Leader of the Family First Party) (1.47 pm)—Australia’s 3.4 million pensioners are overlooked and are really struggling to make ends meet. So many pensioners need extra help to pay for skyrocketing grocery and petrol bills just to get by. According to the St Vincent de Paul Society, age pensioners can spend 30 per cent more on food as a proportion of their income than average households, and they are hardest hit by those soaring grocery prices. But all people receiving the pension deserve an increase, not just those receiving the single pension. Pensioners have been overlooked for far too long. That is why Family First has been speaking out on this important issue for some time. That is why Family First teamed up with Shirley, the pensioner from Glenroy in Melbourne, to get a fair go for all pensioners. Shirley Grant has been the unsung hero of pensioners during this campaign. Family First and Shirley organised a protest rally that really put the plight of pensioners on the map—a protest, outside Flinders Street station in Melbourne in May, where hundreds of pensioners turned up to highlight the plight of pensioners. Thirty per cent of pensioners have less than $1,000 in the bank. It does not take much to imagine a situation where a big bill comes in, or some repairs are needed to the washing machine or to the fridge, and those savings are wiped out. The stress levels they face are enormous. Many pensioners are in danger of falling over the financial cliff. The Prime Minister, the Deputy Prime Minister and the Treasurer have all admitted they could not survive on the pension, but they have asked pensioners to wait until February next year for a pension review to report, until May for the budget decision, and then until July for relief from the soaring cost of living. July next year! That is way too long. Australia’s 1.9 million people on the age pension are really struggling and need help.

It is also important to have an increase in the pension for those other pensioners. The coalition’s proposal covers more than 900,000 pensioners but gives nothing to the other more than 2.4 million pensioners who are also doing it tough. The coalition’s plan gives the nearly one million pensioners that are on the single age pension, single service pension and the widow B pension a $30 per
week increase, but gives nothing to the other 2.4 million pensioners such as carers, couples on the age pension and those on the disability pension. It is good that the coalition realises now, a year after it lost government, that pensioners need urgent help, but it is odd that this move is limited to so few pensioners. There are 714,000 people receiving the disability support pension. The disability support pension goes to Australians who cannot work because they are permanently blind or who have a physical, intellectual or psychiatric impairment. People who have a disability and who cannot support themselves financially obviously need help. They face the same financial struggles as other pensioners but perhaps without some of the advantages of many able-bodied people. There are almost 400,000 parents receiving parenting payment single. They have a tough job bringing up their children without the support of a spouse or a partner. One study found that single parents who do not have a job spend more than 50 per cent of their income on necessities like food, housing and electricity. This can be compared to other families who spend one-third of their income on those items. Obviously the cost of living pressures have had a big impact on them as well. Carers are a key group that are doing it tough. There are 116,000 people receiving carers’ payment. Too often we forget that caring is a constant and that carers do not get a day off. It is a 24/7, 365 days a year job.

Most of us have a break on the weekend, but not carers looking after a loved one who is frail aged or sick or who has a disability. They do vital work and they need our support. Family First believes that this bill should include the disability support pension, parenting payment single, carer payment, wife pension and income support supplement for singles and couples. I move the second reading amendment on behalf of Family First:

At the end of the motion, add: “but the Senate is of the opinion that the increase in the pension rate should extend to recipients of the:

(a) disability support pension;
(b) parenting payment;
(c) carer payment;
(d) wife pension;
(e) service pension; and
(f) income support supplement.

All these other pensioners need help; they are facing a very difficult situation with soaring petrol and grocery prices. They are struggling to make ends meet. We have had people in tears call my office saying that they simply cannot afford to get enough to eat. We have heard of people staying in bed all day because they cannot afford to pay for heating. They are already isolated enough. These are Australians that we said we would look after; we are failing miserably and we need to do a heck of a lot more. Family First wants to make sure that all pensioners get a fair go.

Senator XENOPHON (South Australia) (1.53 pm)—I indicate that I will support the Urgent Relief for Single Age Pensioners Bill 2008. Currently, government funded pensions and allowances are the main source of income for most people aged 65 years and over. In recent weeks, the media has repeatedly reported numerous stories about how difficult it is for pensioners to live on the level of the existing pension. Consequently, pensioners have to rely on private income to get by. But over 13 per cent of Australians over 65 have no private income to supplement their pension payment.

More than half of all pensioners live on less than $20 per week of private income and most do not have substantial savings or other assets. I note the Australian newspaper on 9 August this year reported that voters saw the aged as one of the top groups of Australians deserving more support from the govern
ment. More specifically, the *Canberra Times* on 16 September reported figures showing that over 78 per cent of Australians believe that pensioners should get an immediate rise in their pension.

The public concern about this situation and the urgent circumstances facing many recipients who are struggling to cope with escalating costs of living were all reasons for my support of this bill taking precedence. This bill seeks to amend the Social Security Act and the ‘Veterans’ Entitlements Act to increase the single age pension, single age service pension and widow B pension by $30 per week with effect from 20 September 2008. The explanatory memorandum to this bill states that it will be a first step by the coalition to deliver a comprehensive policy in relation to pensions, income support, veterans’ support and carers over time. I acknowledge the criticism of the Leader of the Government in the Senate, Senator Evans, about the coalition’s previous position, but the coalition has now nailed their colours to the mast and they cannot retreat from their current position.

Given the urgency of the situation, I wish to state my support for this bill. While this bill is urgent for all Australians, in my home state of South Australia with a relatively older population this bill is of even more vital importance: 15.2 per cent of South Australia’s population is aged over 65 compared to 13.2 per cent for Australia as a whole. The differential is even greater when you look at the rest of the country.

It is not just, as some claim, that elderly Australians have paid their taxes for many years and now deserve our support. It is also that the experience and contribution of more mature Australians are resources worthy of investment. If we invest in our more mature Australians, we will have people ready and able to contribute to community services put under stress by rising rates of full-time employment. We will have people who can contribute time and wisdom to our communities, neighbourhood networks and future generations.

Older Australians should not have to scrape to get by. They should not be the subject of scorn for their necessary frugality. They should not have their health and vitality sapped by inadequate pension support. We need to look at a range of ways to make life easier for those on the aged pension, not just for their sake, but for all of our sakes. That is why I support this bill.

However, if I have a major concern with this bill, it is that it does not go far enough. I note the concerns of Senator Brown and Senator Siewert’s foreshadowed amendments as well as Senator Fielding’s second reading amendment. I think it is important that, for instance, the 450,000 Australians who are on a single disability pension be considered as well. The price of food, groceries, transport and other bills does not discriminate according to the amount of your pension or the label on your concession card. Neither should we.

My view is that we should deal with this bill. My preference would have been for it to have been dealt with once we have had a chance to consider the amendments, but I understand the will of the Senate in relation to this. I note the government’s position but I think it is also important that we act now to give some immediate relief to the pensioners of Australia. Some would say that the Senate is the people’s house because today we are reflecting on widespread concerns in the community and giving support to those Australians who are struggling with their current inadequate pensions. I support this bill. I look forward to further consideration of this bill. Again, we must send a signal to the
community that we need to act with urgency to assist the pensioners of Australia.

Senator SIEWERT (Western Australia) (1.58 pm)—Once again we have the coalition introducing a bill to do something about something for which they have suddenly found their conscience, after an injustice that has been happening in Australia for quite a significant period of time. For the whole time that they were in government, certainly for the last few years, it has not been a secret that the pensioners of Australia have been doing it tough. That is why we had the Senate Standing Committee on Community Affairs inquiry into the cost of living for older Australians, which produced a report titled A decent quality of life. The inquiry was initiated during the now opposition’s watch in government because it was recognised that there were increasing costs of living pressures on those living on a pension, in particular older Australians. I will get to some of the issues facing some of our other pensioners in Australia shortly. One of the conclusions of the committee inquiry into the impact of the cost of living was:

It is clear to the committee that many and possibly even a large majority of older people experience a good quality of life in retirement. However, the inquiry highlighted that for a number of older people cost pressures are increasingly curtailing their participation in social and community activities. In turn, this is leading to a diminished quality of living. In particular, some sections of the pensioner population are on tight budgets with no capacity to absorb cost of living rises that outstrip pension entitlements. Further, the committee remains concerned about the possible under-reporting of financial stress by older people. Many in this demographic have a higher propensity to experience difficult financial circumstances without complaint. They have been doing that for years and years and years, but now they have reached the point where they cannot bear the cost of living increases anymore and they have actually started to be outspoken about it. We have finally seen the pressure valve go off.

Debate interrupted.

LIBERAL PARTY OF AUSTRALIA
Leadership and Office Holders

Senator MINCHIN (South Australia—Leader of the Opposition in the Senate) (2.01 pm)—by leave—There have been a number of changes to the shadow ministry, announced at midday by the Leader of the Opposition, which of course affect the Senate. I draw the Senate’s attention to the fact that Senator Helen Coonan has been appointed the Manager of Opposition Business in the Senate, replacing the redoubtable Senator Ellison, who will be sadly missed from that position. I also congratulate all those senators who have been reappointed and who join our front bench. I note with great pleasure there is a very high level of representation of coalition senators on the shadow front bench—a record, I think—reflecting the talent that we have in the opposition in this place. I seek leave to have a list of the shadow ministry and parliamentary secretaries including Senate representational arrangements incorporated in Hansard.

Leave granted.
The document read as follows—

**COALITION SHADOW MINISTRY**

22 September 2008

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<th>TITLE</th>
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<td>The Hon Julie Bishop MP</td>
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<td>Shadow Minister for Financial Services, Superannuation and Corporate Law</td>
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<td>The Hon Tony Smith MP</td>
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<td>The Hon Andrew Robb AO MP</td>
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<td>Senator the Hon Helen Coonan</td>
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<td>Senator Marise Payne</td>
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<td>Shadow Minister for Finance, Competition Policy and Deregulation (Manager of Opposition Business in the House)</td>
<td>The Hon Joe Hockey MP</td>
<td>Senator the Hon George Brandis SC</td>
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<td>Shadow Minister for Competition Policy and Consumer Affairs (Deputy Manager of Opposition Business in the House)</td>
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<td>Shadow Minister for Early Childhood Education, Childcare, Women and Youth</td>
<td>Mrs Sophie Mirabella MP</td>
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<td>Senator the Hon George Brandis SC</td>
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QUESTIONs WITHOUT NOTICE

Economy

Senator COONAN (2.02 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. What exposure do Australian banks have to the economic crisis in the United States?

Senator CONROY—We are not immune from these global difficulties, as I have said before, but we are better placed than most countries to weather the storm. It remains the case that our banks are well capitalised and well regulated and do not face the same problems as are being experienced in the US. The government is in regular contact with our regulators. The government has been advised that Australian deposit-taking and insurance companies supervised by APRA are well capitalised, profitable and well regulated and are weathering the turmoil well. Australian depositors can be confident in the soundness of Australian financial institutions.

Our major banks have announced relatively modest exposures to Lehman Brothers, and the regulators have advised the government that these are manageable and in no way take away from the very strong state of our financial sector. It is also important to point out that the Commonwealth government has negligible exposures to Lehman Brothers through the Future Fund. I am sure the states will make any announcements on any exposures, should that be appropriate, as some already have done. The merger of BankWest’s parent, HBOS, in the UK with Lloyds, facilitated by UK authorities, has strengthened the BankWest parent company and the group as a whole. APRA is in regular contact with the UK authorities to ensure the interests of Australian depositors are looked after in the merger process.

On US measures to support AIG, the Australian government welcomes the actions by the Federal Reserve which have the full support of the US Treasury. This announcement
will provide much-needed support to the AIG and the broader US market. The Australian government has only negligible exposures to AIG. We are confident that banks and state governments will announce any exposures, should that be appropriate.

It is important for me to reiterate that although we are not immune to international effects we are better placed than most to weather this storm. We have a very well-regulated financial sector and our banks remain strong. Our four largest banks all have AA credit ratings or above. Subprime mortgages account for only one per cent of the mortgage market in this country compared to 15 per cent in the US, and our default rates are nowhere near those being experienced in the US.

The Rudd government are now focusing on the things we can control. We are implementing the Financial Stability Forum recommendations in full and encouraging their implementation internationally. We have implemented the Basel II capital adequacy requirements in full. Through our regulators we have called on our financial institutions to make all appropriate disclosures. Treasury and ASIC are examining the role and regulation of credit-rating agencies with reference to the FSF’s recommendations. We have taken steps to support liquidity in the government bond market to ensure our broader financial markets operate more effectively.

And we are strengthening protections for deposit holders through the introduction of a financial claims scheme. We have also moved in recent days to crack down on short selling. All of these measures are designed to protect—(Time expired)

Senator COONAN—Mr President, I ask a supplementary question. The minister’s comments were reassuring. My supplementary question is this: if the Australian economic situation is light years away from that of the United States why then is the Prime Minister rushing there for urgent discussions rather than staying in Australia to deal with the financial problems our pensioners are facing right here and right now?

Senator CONROY—It would be easier to take those opposite seriously when they cry crocodile tears over the state of pensioners in this country if at any stage during the 12 years that they were in government they actually did anything credible. For them now to try to suggest that they have, as I think one of my colleagues in the chamber suggested, suddenly discovered a social conscience is really hard to take seriously. The hypocrisy from those opposite goes not just to their attitude towards pensioners; it goes to their attitude to the Prime Minister on this trip. Mr Turnbull himself has only just recently returned from overseas where he insisted that it was important to get face-to-face time and contact with those in these positions overseas. When the Prime Minister of the country—(Time expired)

DISTINGUISHED VISITORS

The PRESIDENT—Order! I welcome former senator John Herron to the Senate. It is good to see you back here and we hope you enjoy question time, Senator Herron.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Senator MARSHALL (2.08 pm)—My question is to the Minister for Superannuation and Corporate Law, Senator Sherry. Can the minister update the Senate on what actions are being taken to ensure our financial markets continue to operate in an orderly fashion?

Senator SHERRY—I thank Senator Marshall for that very important question. As I am sure most Australians and all in this chamber are well aware, it has been a very
tumultuous period on financial markets over the last eight or nine months, particularly in the last two weeks. We are not immune to the impacts of what is known as the US sub-prime crisis, the financial crisis that has hit all markets around the world. We operate in a global economy. However, we are better placed than most countries to weather this storm. The government has moved quickly to strengthen our financial system in a number of ways. We are implementing what is known as the Financial Stability Forum recommendations in full. We have taken steps to support liquidity in the government bond market to ensure our broader financial markets operate more effectively, and we are strengthening protections for deposit holders through the introduction of a financial claims scheme. We are modernising and updating financial regulation in this country by introducing single standard national regulation of all providers and products in this country.

Australian regulators are in regular contact with overseas regulators, and are coordinating their responses to the global financial market crisis. At the same time we are taking into account the particular needs of the Australian market. On Friday and over the weekend the regulators have moved to take action in respect of what is known as short selling. Short selling is where market participants make a profit from shares falling, usually using shares they do not own. In ordinary times short selling stocks can aid the functioning of markets by helping true price discovery and liquidity, but these are not ordinary times. The use of short selling to manipulate the market by using false rumours to drive down the price of particular stocks is of significant concern. For these reasons, last Friday ASIC took decisive action to limit this sort of behaviour in the current market circumstances. In light of global developments in recent weeks ASIC and the ASX took coordinated action over the weekend to limit the use of short selling. It is an interim ban. This will help ensure the integrity of the operation of our financial markets. On Friday night, ASIC and the ASX announced an interim ban on all naked short sales effective from this morning and a limit on the number of allowable covered short sales and an increase in disclosure requirements for those allowable covered short sales.

To illustrate how globally interconnected these matters are, across the weekend following the ASIC move the US Securities and Exchange Commission, the Irish Financial Services Authority, the French Financial Markets Authority and regulators in Germany and the Canadian province of Ontario all took similar steps with respect to covered short sales. Following consultation with its counterparts overseas and participants in the financial markets, ASIC has since also announced an interim ban on covered short selling. ASIC’s measures do extend beyond the US and UK positions by temporarily halting covered short selling of all stocks on the Australian stock exchange. ASIC advised that this is necessary due to the relatively small size and structure of the Australian share market. To limit a prohibition to financial stocks only could subject other non-financial stocks to unwarranted attention. These interim bans came into force at 9 am today. After 30 days ASIC will reassess the situation and decide whether it will again allow covered sales—(Time expired)

**Senator MARSHALL**—Mr President, I ask a supplementary question. Can the minister explain how the moves to temporarily ban short selling fit in with broader moves to manage the Australian economy in these uncertain times?

**Senator SHERRY**—As I was saying, after 30 days ASIC will reassess the situation and decide whether it will again allow covered short sales in non-financial stocks and
naked short sales. It will review the ban on covered short sales of financial stocks at the same time as the US Securities and Exchange Commission, the UK Financial Services Authority and others do so. It is very important to maximise international coordination and consultation in these turbulent times in financial markets. ASIC’s actions over the weekend have strong support from the Australian financial sector. As previously noted, the government will introduce shortly the Corporations Amendment (Short Selling) Bill 2008 which will establish a comprehensive disclosure regime for covered short selling should the regulator determine at a future date to again allow this form of market trading. As has been said, Australia does have a world-class regulatory system. The actions of our regulators last week—(Time expired)

Prime Minister

Senator FERGUSON (2.14 pm)—My question is to Senator Evans, the Minister representing the Prime Minister. Given that the Prime Minister’s trip to the United States was first announced on 28 August and the financial crisis on Wall Street was not sparked until three weeks later, on 15 September, when Lehman Brothers declared bankruptcy, is it a fact that the Prime Minister’s trip was scheduled well before the Wall Street meltdown and was not about the economy at all?

Senator CHRIS EVANS—I thank Senator Ferguson for the question but you have to ask: where has he been? I know he is a good traveller himself, but I think everybody in Australia would know that the financial difficulties in America and in the world financial markets did not start on 28 August. The subprime crisis has been around for months, and obviously Senator Ferguson reflects the opposition’s lack of economic understanding in claiming that the financial issues affecting world markets are very recent news.

The opposition may well think that the Prime Minister going to the United Nations General Assembly is not appropriate; that is a decision for them. But I do not think anyone seriously maintains that it is not a huge advantage for the Prime Minister to engage with other world leaders in response to one of the greatest financial crises that we have seen for many a year. There are really difficult circumstances confronting the Australian economy. There are really difficult international circumstances, which Senator Sherry outlined in his answer to the previous question. To somehow suggest that it is not important that the leader of the Australian government engages in international discussion, engages in confronting those challenges and engages in trying to work out solutions that provide security for international markets and for those who invest in them, I think, is a sign that the Liberal opposition have just absolutely lost the plot.

We had Senator Coonan raise the question about the banks. We had a question last week about the impact on Australian superannuation accounts. These are really important issues, issues that this government takes seriously. These pressures from the international financial turmoil are putting pressure on financial institutions and are putting pressure on investments. Those issues directly impact on Australian citizens, on their savings and on their investments. We think Australia is well placed to resist the worst impacts of these developments, but these are developments that threaten us. They do put pressures on our economy, and we are working very hard to try to ensure that we protect Australia to the best extent possible. That is one of the reasons why we are very keen to get our budget bills passed, to have the surplus established—so that we can protect the Australian economy and protect the economic conditions that act as a buffer to us
and help protect us against the worst impacts of this financial crisis.

It is perfectly appropriate that the Prime Minister provide leadership in Australia’s response, that the Prime Minister engage with those involved in the international response to financial market developments, and I think all Australians would appreciate that the Prime Minister takes these issues very seriously. I would urge Senator Ferguson and the opposition to treat these issues much more seriously than they appear to be and to take economic responsibility seriously and pass the budget. Help us protect Australians from these conditions.

Senator FERGUSON—Mr President, I ask a supplementary question. Is it a fact that the Prime Minister has shortened his trip to the United States in order to attend the AFL grand final on Saturday but will not be around this week when parliament debates a pension increase? Why does this Prime Minister think attending football is more important than attending to the needs of pensioners?

Senator CHRIS EVANS—Again we see the opposition concentrating on stunts rather than real policy. The Prime Minister—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Evans, resume your seat. Senator Evans.

Senator CHRIS EVANS—Thank you, Mr President. The Prime Minister is seeking to promote Australia’s interests and engage in an international response to one of the most difficult financial situations we have seen for many a year. On occasions the opposition accuse the Prime Minister of working too hard, of keeping the pace too high. The fact is that the Prime Minister is making a fairly short trip to coincide with the UN assembly, to coincide with timing set by them. He will attend and return after doing what we think is very much in the national interest.

Economy

Senator WORTLEY (2.20 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Can the minister update the Senate on recent important developments in the continuing global financial crisis?

Senator CONROY—I thank Senator Wortley for that very worthy question. As we know, and as has already been stressed by both me and my colleague Senator Sherry, these are challenging times in global financial markets. It has been a tumultuous two weeks. Two large US investment banks ceased to exist as independent entities, the world’s largest insurer required a US government bailout and two of the largest UK banks had no choice but to merge.

Towards the end of the week, we saw some recovery in global markets and the US government announcement that it is developing a comprehensive approach to address the bad loans in the US financial system. Central banks around the world injected large amounts of liquidity into global financial markets. These are welcome initiatives, but we should not imagine that we are out of the woods yet. We will continue to see volatility in global financial markets over the period ahead.

The government continue to receive briefings on developments by Treasury and our regulators. We remain in close contact with our international counterparts. To understand and help solve these global problems, you have to engage internationally with both policymakers and financial market participants. That is why it is so important that the Prime Minister is attending the United Nations this week. Over 100 world leaders will be there, and the global economic crisis will be foremost on their minds.
The Rudd government has continually made it clear that Australia is not immune to what is going on in international financial markets. At the same time, however, we need to recognise that the circumstances in the United States are different to those in Australia on a number of levels. For one thing, we should recognise the different quality of the institutions and the regulatory framework that we have in this country. Australia has a world-class regulatory system. The Australian Prudential and Regulation Authority is the regulator—

Senator Minchin—After 11 years of a coalition government.

Senator CONROY—Senator Minchin, I know that you have been demoted.

The PRESIDENT—Senator Conroy, address your comments through the chair.

Senator Abetz—That is an own goal. He shadows you.

The PRESIDENT—Order!

Honourable senators interjecting—

The PRESIDENT—Those on my left will come to order.

Senator CONROY—I am still in the government’s economic team; Senator Minchin is not. Senator Minchin has already distinguished himself by announcing that he intends to question me about Labor’s uncertain plans for a digital switch-off. I look forward to that, Senator Minchin, because we are not planning a digital switch-off. We might be going to turn the analogue system off, but not the digital system. So, I would stick to the economic game, Senator Minchin.

It is worth noting that Australia’s largest four banks are among only 12 of the world’s top 100 banks with AA credit rating or above. That is, there are 12 banks with AA credit rating or above and we have four of them in this country. It is also a fact that the exposure of our banks to subprime loans is significantly less than in the US. In Australia, subprime mortgages account for only one per cent of the mortgage market, compared with 15 per cent in the US. Our default rates are nowhere near theirs. (Time expired)

**Taxation**

Senator FIFIELD (2.25 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. How much money did the Australian Taxation Office have to repay to car dealers as a result of the recent KAP Motors Federal Court case? Did the government give any undertakings to the car industry that it would not seek to penalise them as a result of this court case?

Senator CONROY—That is a very specific question, Senator Fifield. I will get a specific answer on that detailed question and get it to you as soon as is practicable.

Senator FIFIELD—Mr President, I ask a supplementary question. This may assist the minister. Isn’t it a fact that the amount ordered to be repaid—roughly $500 million—is very similar to the $550 million tax imposed by the government on the car industry just 10 weeks after the case was concluded? Will the minister deny that the Treasury advice on increasing the luxury car tax referenced the KAP Motors decision? Isn’t it a fact that the proposed luxury car tax increase is simply a case of payback?

Senator CONROY—Claims that this important budget measure is linked to the government closing off a loophole in the GST law are incorrect and misleading. The government is fixing a loophole in the law that allows businesses to get GST refunds they do not deserve. This loophole was revealed by the Federal Court decision in KAP Motors that allowed motor dealers to have a GST refund without passing it on to consumers. To avoid disadvantaging these taxpayers, who the court decided were entitled to a re-
Emissions Trading Scheme

Senator MILNE (2.27 pm)—My question is to the Minister for Climate Change and Water and relates to the large volumes of carbon captured and stored in Australia’s native forests and vegetation. Does she agree with former New South Wales Premier Bob Carr that protecting native forests is fundamental to fighting climate change and that keeping carbon locked up or sequestered in Australia’s native forests instead of logging them will not only slow Australia’s rising greenhouse gas emissions but also have biodiversity benefits?

Senator WONG—I thank Senator Milne for the question. I know that this has been an issue that the Greens have previously raised. As you would be aware, the government do recognise the importance of Australia’s forests in terms of both their biodiversity values and also because they remove carbon dioxide from the atmosphere as part of a comprehensive effort to reduce greenhouse gas emissions. We are committed, and this is something that was made clear prior to the election, to maintaining a robust system of regional forest agreements.

Senator Bob Brown—They destroy forests.

Senator WONG—I understand, Senator Brown, that that is not a position with which your party agrees, but that is the position that was made very clear prior to the election. The 2008 State of the forests report shows that there has been a 1.5 million hectare increase in the area of forest added to the reserve system since 2003. I am advised that 23 million hectares of native forests are now in formal reserves. We welcome the ANU research on carbon storage in intact natural forests in south-eastern Australia. The government’s national carbon accounting system does draw on Australian research from peer reviewed scientific studies and encourages research in these fields.

The senator would also be aware that the government’s proposal in the green paper is for a voluntary opt in for forestry which would enable landholders who wish to enter the CPRS to do so subject, obviously, to the maintenance and permanence of such forests. That is currently the proposal in the government CPRS green paper. I do understand that Senator Milne and Senator Brown may have a different set of views on this issue.

Senator Bob Brown—Well, you are wrong.

Senator WONG—I meant from the government, Senator Brown, not between one another. As I said, we do recognise the importance of Australia’s forests. We have a clear commitment to maintaining a robust system of RFAs and I again reiterate through the green paper that the government is proposing in its Carbon Pollution Reduction Scheme a voluntary opt in for forestry. That is important and it is predicated upon the recognition that forests can form an important part of our fight against carbon pollution and our fight to reduce Australia’s greenhouse gas emissions. The proposed opt in through the green paper would enable landholders to voluntarily opt into the system to establish a forest and to generate a credit as a result of entering the system. That obviously creates an incentive for sequestration where it is appropriate for forest activity for the establishment and maintenance of forests. I make the point that once landholders are in the system then in accordance with the Kyoto accounting rules they would have to remit a permit to remove those forests.
Senator MILNE—Mr President, I ask a supplementary question. I thank the minister for her answer although I noticed that she studiously avoided answering whether or not she agreed with former New South Wales Premier Bob Carr. I also note that in her answer she focused on the opt in for plantation forestry, not talking about native forest as standing stores. So I ask: can the minister explain why the forests of Indonesia and PNG are carbon stores and must be protected from logging to save the climate, but the forests of Australia are not? Is this a case of Australia hypocritically saying to the world, ‘Do as I say on the protection of your forests, but do not do as I do on the logging of ours’?

Senator WONG—I reiterate, Australia, as the senator knows, does have a system of management of forests that has been through an extensive process. Obviously there is the matter of historical record and I note that this is not actually my portfolio, but we have been very clear about our support for the regional forest agreements. I understand that some in the chamber have a different view about this. But very clearly, we do have not only forest management practices and regulation in Australia but also extensive land clearing legislation at a state level, and the green paper goes through that in detail and explains that we do believe there is regulatory management there in terms of land use, which is appropriate. In terms of the senator’s question about Indonesia and Papua New Guinea, the government has made it clear that we do see—(Time expired)

Workplace Relations: Fair Work Australia

Senator ABETZ (2.33 pm)—My question is to the Minister representing the Minister for Employment and Workplace Relations. Will the minister confirm that the so-called ‘coercive investigative powers’ of the Australian Building and Construction Commission are modelled on those of the ACCC and akin to those of the ATO and ASIC?

Senator LUDWIG—In respect of the Forward with Fairness policy implementation plan, the Australian government is committed to—let me be clear about this and the Liberals should understand—maintaining the existing arrangements for the building and construction industry including the ABCC until 31 January 2010. After that date, the ABCC will be replaced by a specialist building and construction division of the inspectorate of Fair Work Australia, the FWA.

The government are also committed to consulting widely with industry stakeholders on the arrangement and the specialist division will apply. On 22 May 2008 the government announced that they would ask the Hon. Murray Wilcox QC to conduct consultations with the industry and report on how best to transition to the specialist division of the FWA inspectorate. The Australian government have asked His Honour to report by the end of March 2009. The terms of reference for that were released on 24 July 2008. It is important to understand what the key industry players are doing in the sense that His Honour has engaged in close consultation—

Senator Abetz—I rise on a point of order on relevance, Mr President. This was a very specific question. We do not want a tour around the ALP’s various positions on the ABCC. The question was whether the investigative powers of the ABCC are modelled on those of the ACCC and akin to the ATO and ASIC. I would ask you, Mr President, to remind him of the question.

The PRESIDENT—As you know, Senator Abetz, I am not able to direct the minister how to answer the question. I can draw the minister’s attention to the question that you asked, and on the issue of relevance, Minis-
ter, I ask you to address the question that Senator Abetz has asked.

Senator Ludwig—Thank you, Mr President. As I was saying, Master Builders Australia welcomes the announcement, noting that it is a ‘positive sign that the Government is committed to maintaining a tough cop on the beat in the building and construction industry’. The MBA confirmed that it looked forward to working with Justice Wilcox. Similarly, the AIG welcomed the appointment of Justice Wilcox, noting that His Honour is highly respected and that he will bring wisdom and balance to the exercise. In addition, this government has no tolerance for behaviour in the building and construction industry that breaks the law, whether it is unlawful industrial action or underpayment of employees.

Senator Abetz—I rise on a point of order that goes to relevance. Under standing order 196 it is within the province of the President to require somebody speaking in the Senate to be relevant. Clearly, a very specific question has been asked and, with great respect, the appointment of His Honour Mr Wilcox has got nothing to do whatsoever in relation to whether the investigative powers of the ABCC are modelled on those of the ACCC and akin to the ATO and ASIC.

Senator Chris Evans—On the point of order, I contend that there is no point of order. That is the second time Senator Abetz has tried to take that spurious point of order. Senator Ludwig is answering directly on the subject of the ABCC, its power, its future and Labor government policy relating to it. He is clearly on message on the question as asked. While Senator Abetz may be disappointed that after talking up his promotional prospects all weekend they did not eventuate, I am sorry about that. But Senator Ludwig is particularly on the subject matter of the question asked.

The President—Order! On the point of order there is no point of order. As you know I cannot direct the minister as to how to answer the question. I draw the minister’s attention to the fact that there is one minute and 51 seconds left to address the answer and to remain relevant to the question.

Senator Ludwig—What we do expect is that all parties maintain respect for the workplace relations laws, including perhaps a commitment from the Liberals that they have now abandoned Work Choices and gone on to a new fair industrial relations system, including the ABCC. Unlikely though it may be, we still wait with bated breath for their response at some future date from their new shadow minister. This government’s approach is to consult in its workplace relations reform, which is really in stark contrast to the previous government’s approach. We will continue—

Senator Ronaldson—I raise a point of order in relation to relevance. Can you ask the minister to please get off message and onto answering the question.

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

Senator Ludwig—Unlike the Liberals we are about consultation in relation to our workplace relations, including the ABCC, including how the powers will operate, including how the system will work to ensure that there is fairness in the system, and to ensure that those matters such as the recent reports of verbal abuse and physical intimidation are dealt with appropriately and properly within the ABCC, because they are at arm’s length from this government. The system ensures, of course, that if there are matters that should be referred for police investigation then they will be. And of course it would be inappropriate for me to make any further comment about those specific mat-
ters, but, in general, to the broader question what I can say—

Senator Abetz—Mr President, under standing order 196 you have the power to direct a Senator to discontinue for continued irrelevance—

Senator Carr interjecting—

Senator Abetz—And tedious repetition as well, Senator Carr is right. But the point I make is in relation to continued irrelevance. This minister has now gone for 3½ minutes and has not even accidentally strayed anywhere near the subject matter of the question. I invite you, Mr President, to invoke the power bestowed upon you by standing order 196.

Senator Conroy—On the point of order, clearly those opposite want to disrupt question time today to cover for the poor quality of their questions. There is no relevance whatsoever in standing order 196. What is tediously repetitious today are these spurious points of order. I ask you to dismiss this point of order and see if we can get back to answering some questions in the time available.

The President—Order! There is no point of order. Senator Ludwig you have 22 seconds remaining in which to answer the question. I draw your attention to the question.

Senator Ludwig—Of course the Liberals on the other side do not want to hear what we are doing in respect of the ABCC and they do not want to hear what we are doing in respect of the fair workplace relations that are being introduced. But if there are matters that I can ask the minister to take on notice in relation to the specific question that you asked I will see if Minister Gillard can provide additional information for you. (Time expired)

Senator Abetz—Mr President, I ask a supplementary question. Given that the minister has no idea and has taken the first question on notice, I invite him to take the following questions on notice and get some advice from the minister. Given that the government has recently moved to expand the investigative powers of the ACCC, will the government be doing the same with the Australian Building and Construction Commission, or will the government cave in to the demands of Senators Gavin Marshall, Steve Hutchins and Doug Cameron that the ABCC be immediately abolished?

Senator Ludwig—Of course, what the Liberals do not want to hear is that we are creating a fair and flexible workplace relations system that achieves the right balance between employers and employees. But, if there are matters I can ask Minister Gillard to turn her mind to and return a specific response on, I will seek to do that. If there are any additional matters she wants to address in respect of Senator Abetz’s question, I will ask her to do that.

Coal

Senator Bilyk (2.43 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister update the Senate on how Australia can get the most from its vast coal reserves in a low-carbon economy?

Senator Carr—I thank Senator Bilyk for the question. It is essential that we find ways to use coal cleanly. That is why the government has created the $500 million National Low Emissions Coal Fund. It is supporting research, carbon mapping, demonstration projects, infrastructure, coal gasification, carbon dioxide storage and much more.

Our aim is to accelerate the deployment of technologies that will slash greenhouse gas emissions from coal-fired power stations,
which generate—and I remind of the Greens of this—80 per cent of Australia’s electricity. This is an absolutely critical program for coal-rich countries like Australia. Coal is vital to regional economies and communities around this country. Last year, it earned some $21 billion in export revenue. We cannot turn our backs on this resource, and we do not have to. Committing to a low-carbon future will stimulate the innovation and technological development needed to reduce the greenhouse gas impact of coal.

That process has already begun. CSIRO and the Cooperative Research Centre for Greenhouse Gas Technologies within my portfolio are working closely with industry to find solutions. In July of this year, they launched Australia’s largest carbon storage demonstration project in Victoria’s Otway region. By the beginning of this month, 20,000 tonnes of CO2 had been successfully injected into a depleted natural gas reservoir some two kilometres underground. CSIRO and the CO2CRC are working with industry and the university partners in the Latrobe Valley on carbon capture demonstration projects. The first at Loy Yang went live in July and since then CSIRO has launched two more pilot carbon capture plants in Munmorah in New South Wales and Tarong in Queensland. It has teamed up with China’s Huaneng Group to establish a 300,000-tonne a year pilot plant in Beijing. The CO2CRC and the Cooperative Research Centre for Coal In Sustainable Development are also participants in the big Australian-Japanese carbon capture and storage project in the Callide A power station in central Queensland.

These international collaborations are critically important. Climate change is a global problem and Australia has everything to gain from finding global solutions. We will gain from selling clean coal technologies to the world and we will gain from ensuring that coal remains a viable fuel. Given the scale of our reserves, this could mean that Australia’s coal continues to figure significantly in the global energy mix for several hundred years. The government’s clean coal initiatives are part of a balanced and comprehensive energy strategy which also embraces alternative fuels and renewables. They reflect our determination to find real climate change solutions that do not leave anyone behind—not the coal producers, not coal workers and not coal regions. This is a universal problem requiring solutions that embrace all Australians.

Senator BILYK—Mr President, I ask a supplementary question. How will the global carbon capture and storage institute announced last week further these objectives?

Senator CARR—Thank you, Senator Bilyk. The recent G8 meeting in Hokkaido agreed to establish 20 industrial-scale carbon capture and storage demonstration projects around the world by 2010. Last week the government announced that it will invest $100 million a year to establish a host global carbon capture and storage institute. The institute will have a specific mandate to do whatever it can to ensure that there are 20 industrial-scale projects up and running. The Prime Minister is taking this plan for a global carbon capture storage institute to the United Nations this week and is seeking the first meeting for potential participants later this year. Australia can lead the world in climate change, and this government is determined to ensure that it does.

Economy

Senator BUSHBY (2.48 pm)—My question is to the Minister representing the Prime Minister, Senator Evans. I refer to the Prime Minister’s comment on Friday:

The minister, Chris Bowen, currently has a proposal out with industry on the future of short selling.
Can Senator Evans confirm that the minister actually responsible for financial markets is the obviously forgettable Senator Sherry and not Mr Bowen?

*Government senators interjecting—*

**The PRESIDENT**—Order! On my right, order!

**Senator CHRIS EVANS**—I thought the earlier question by Senator Ferguson represented a bit of a new low, but this really is getting ridiculous. The opposition clearly have lost the plot. We have one of the most serious financial crises in recent times and the best the opposition can do is ask little trick questions, as though that is the preoccupation of Australians.

*Honourable senators interjecting—*

**The PRESIDENT**—Senator Evans, resume your seat. I need order on both my right and my left.

**Senator CHRIS EVANS**—I think those Australians who are concerned about the impact of the financial markets on their superannuation, on their investments more generally and on what these issues might mean more broadly for the economy will be pretty disappointed that this is the best the opposition can do. At a time of serious economic instability in the world, when we have some of the most important major banks and financial institutions under pressure, forced to amalgamate or close, we get a trivialising question from the opposition. I do not know why they are not interested—

**Senator Abetz interjecting—**

**Senator CHRIS EVANS**—Senator Abetz, I know why you are not interested—because you are in charge of the tactics committee, and long may you keep your job. Despite the grumblings from your own back bench about it, we think you ought to keep the job.

These are really important matters. These are issues that are confronting the Australian economy that ought to be treated seriously. Senator Sherry is in charge of a range of matters and has been doing excellent work. He and Mr Bowen have both been engaged in the very serious work this government has done—

*Opposition senators interjecting—*

**The PRESIDENT**—Senator Evans, resume your seat. Order!

**Senator CHRIS EVANS**—All our economic ministers are very much focused on doing what they can to better prepare Australia for the circumstances we confront and to look at what we can do in the way of measures that help further protect our economy from these forces. The announcement on the weekend was that ASIC and the ASX took co-ordinated action over the weekend to limit the use of short selling, and that announcement was generally well received. That is a measure that will be built on over the next few weeks as we look to do what we can to protect what is a strong Australian economy but one which is not immune from the forces that we are seeing. I would have hoped and one would have thought, given that the new Leader of the Opposition, Mr Turnbull, offered some form of bipartisan support for tackling these serious economic issues, the opposition could have done better in terms of the questions it asked and its interest in what are serious matters. To trivialise these matters really shows how the opposition have lost any sense of economic responsibility.

If the opposition are serious about the economy, if they are serious about the issues confronting the Australian economy and if they are serious about the threats posed by those international forces, they will support the government in our efforts to protect the Australian economy by passing our budget
and by ensuring we have the budget surplus that will help protect Australian families from these forces. Pass the budget and allow us to have the surplus that will protect us from these forces, and we will take any other measures we can to treat these issues seriously. I urge the opposition to join us in that effort rather than trying to trivialise these important issues. (Time expired)

**Senator BUSHBY**—Mr President, I ask a supplementary question. I thank the minister for highlighting the seriousness of the challenges that we face as a result of the international financial crisis. But, in view of those challenges, how can Australians be confident that the Prime Minister has a handle on the world financial crisis when he does not even know who his own responsible minister is?

**Senator CHRIS EVANS**—I think that shows that the senator did not have the good sense not to ask a stupid supplementary question when he asked a trivial first question. The answer to his question was given in my primary answer, which is that these are serious issues. They are serious issues being tackled by the Prime Minister, by the Treasurer, by Senator Sherry and by Minister Bowen. We are trying to tackle these issues as seriously as possible and to provide the protection that we can for Australian families from these international events. I would have thought the opposition would have taken its responsibilities much more seriously than Senator Bushby, Senator Abetz or Senator Minchin seem to.

**Workplace Relations**

**Senator McEWEN** (2.55 pm)—My question is to the Minister representing the Minister for Employment and Workplace Relations, Senator Ludwig. Would the minister provide the Senate with an update on progress by the Australian government in processing employment agreements? What arrangements are in place for individual employment arrangements in the future?

**Senator LUDWIG**—I thank Senator McEwen for the question. I am pleased to report to the Senate that, of the 337,000 agreements lodged under the previous government’s fairness test, some 281,000 have now been finalised, 15,500 are back with employers to provide further information or for amendments to meet the requirements of the act and the Workplace Authority is making good progress in finalising the remaining agreements.

The previous government announced its so-called fairness test on 7 May 2007. However, senators may recall that agreements could not be accessed from that time until the legislation was enacted, and it came into effect some two months later on 1 July 2007. Of course, what that did was create an immediate backlog of 54,000 agreements the Workplace Authority could not access because the former government had not told the authority or anyone else what that test was.

The Rudd government is providing a secure future for working families, and now almost 85 per cent of agreements lodged under the fairness test have been finalised. Since 28 March 2008, the Workplace Authority has received some 54,000 agreements, of which 50,700 are individual transitional employment agreements—or ITEAs—to be assessed under the Labor government’s no disadvantage test. The authority has finalised the processing of some 15,600 agreements. This means, of course, that more than 74,000 workers have now had their workplace agreements passed under the new no disadvantage test. These 74,000 workers are the first beneficiaries of the Rudd Labor government’s reinstatement of a decent, comprehensive safety net of wages and conditions to underpin agreement making. After the people of Australia delivered their
thumping, unequivocal verdict on Work Choices and AWAs in last year’s election, we all thought AWAs were a thing of the past. But the Liberal Party have not made up their mind. Last February they said, ‘We’re prepared to die in a ditch over individual statutory agreements.’ The then coalition sensibly recognised the government’s clear mandate for change and voted to support our transitional legislation to end AWAs.

But the previous opposition spokesperson was at it again. Speaking to a conference in Melbourne, Ms Bishop said, ‘Statutory individual contracts must form part of a modern workplace.’ That was her quote. But what does this mean? Let us be clear. Individual statutory contracts means contracts that an individual employee can be required to sign as a condition of getting a job, a transfer or a promotion and that can strip away basic award conditions, take away rights or stop employees bargaining at the enterprise level. Individual statutory agreements equal AWAs.

Of course, today we heard that Mr Malcolm Turnbull has rewarded Ms Julie Bishop’s extreme IR agenda by promoting her to be shadow Treasurer. Do the Liberals opposite us want Work Choices or not? Let me hear your chorus. Do you want Work Choices or not? They are silent on the issue. Do they want laws that strip the take-home pay of Australian working families or not? That is the question. (Time expired)

**Opposition senators interjecting—**

**The PRESIDENT**—Senator Ludwig, address your comments to the chair and not across the chamber. Those on the other side should not—

**Senator Abetz**—Take the bait.

**The PRESIDENT**—take the bait. I think that is very well said.

**Senator Ludwig**—Thank you, Mr President. I apologise for that. It is a question: are the Liberals now backsliding into Work Choices or not? That is the real question that they have been unable to answer. While the Liberals persist with their failed policies of the past on industrial relations—and they have continued to persist—Labor will move forward. It will take forward its modernising agenda. It will ensure awards are modernised. We will implement a policy that ensures we will have fair industrial relations systems—(Time expired)

**Wool Industry**

**Senator Colbeck** (3.02 pm)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry, Senator Sherry. Does the government agree that Australian wool is ethically produced?

**Senator Sherry**—Yes, I do.

**Senator Abetz interjecting—**

**The PRESIDENT**—Senator Abetz, I am waiting to call your colleague.

**Senator Colbeck**—Mr President, I ask a supplementary question. Is Professor Roy Green wrong when he implies on page 110 of his review into the textile, clothing
and footwear industry, released on Friday, that Australian wool is not ‘ethically’ produced? Isn’t the government rolling over to extreme antifarmer activists by considering the idea of providing more than $8 million to support the notion that some Australian farmers are unethical?

Senator SHERRY—It should not surprise the senator or the Senate that I have not actually read those comments. But I am happy to take the question on notice and provide you with some further information.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Prime Minister

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (3.03 pm)—Could I indicate that, following a question from Senator Heffernan asked on Thursday, 18 September, I sought some further advice and have received that. I seek leave to have that advice incorporated in the Hansard.

Leave granted.

The document read as follows—
Additional Information—Prime Minister’s Travel
During question time on the last sitting day (Thursday, 18 September 2008) Senator Heffernan asked me to confirm certain details relating to the Prime Minister’s official travel overseas.
I am advised as follows:
The Prime Minister spent 9 days overseas in 2007.
The Prime Minister has spent 43 days overseas in 2008.

QUESTIONS WITHOUT NOTE OF ANSWERS

Prime Minister

Economy

Senator BERNARDI (South Australia) (3.03 pm)—I move:

That the Senate take note of the answers given by the Minister for Immigration and Citizenship (Senator Evans) to questions without notice asked by Senators Ferguson and Bushby today relating to the Prime Minister.

Senator BERNARDI—It is with great despair, or increasing levels of despair, that once again I rise to talk about the government’s complete lack of empathy with or understanding of the deprivation and hardship that many of our age pensioners and those who are on fixed incomes and reliant on government support are facing. It is becoming a tired record when the coalition stands up here saying that we owe pensioners a better deal. We know that they are struggling with the cost of living. We know that they are struggling to feed themselves, to remain in adequate accommodation, with the cost of transport and just existing. Every time we raise this, every time we put a question to Senator Evans or someone else in the government, what do we get? They pass the buck.

It is a shame for pensioners, because, whilst the coalition’s priorities are about ensuring that people stand to gain from the bloated $22 billion surplus inherited by this government that they are not prepared to release to ease the cost-of-living pressures upon those who are amongst the most vulnerable in our society, what do we get from the Labor Party? Let me tell you, Mr Deputy President. Whilst pensioners are concerned with the price of petrol, the government says they cannot do anything anymore and they refuse to countenance or consider a reduction in the petrol tax or fuel excise. When pen-
sioners are saying that the price of power means they cannot put on their heaters for more than a couple of hours a day, what do we get from the government? They say, ‘We’re going to put prices up through some of these cockamamie schemes that are going to increase prices for people who are really struggling in our society.’ When pensioners are saying they cannot afford to provide the sustenance that they require, what do we get from the Labor Party? We get complaints about the size of the stroganoff portions in the cafeteria. Where are their priorities? It is embarrassing. It is humiliating.

When we talk about and remind them of the unlivable pension, a fact that is acknowledged by the Labor Party—they know that people on pensions are struggling—what do we get? We have the unlimited travel of the Prime Minister. That is all it is. He does not care about pensioners. What he cares about is the 24-hour media spin cycle. He is talking about a global financial crisis while ignoring the financial crisis that our pensioners are finding themselves in today. He is talking about stopping short selling on the share market, but he will not talk about putting more food on the tables of pensioners. What more important thing is there, quite frankly, than helping someone to survive? According to this government, there is a whole lot more that is important. The price of stroganoff is more important down in the lower house than making sure a pensioner can get more than a loaf of bread and a jar of jam to feed themselves for a week.

Whilst the Prime Minister is in denial about these things and jets off into the sunset to talk in New York with bigwigs—including Missy Higgins, I understand—Ms Gillard and Mr Swan have acknowledged that the pension is not enough. We know Mr Rudd talks the good talk in the Labor Party because he promised pensioners:

... there is no way on God’s earth that I intend to leave them in the lurch.

Well, he has left them in the lurch. The government are lurching from one crisis to another and all the time they are focused on the 24-hour media spin cycle because that is what is truly important to them. The perception is out there: they really do not care about the impact on people on the ground. They pay homage to them and they pay lip-service to them. At the very first community cabinet they were asked, ‘Who can live on the single age pension?’ What was the response? There was no-one who could live on it. What have they done since? Nothing.

The Labor Party are going to say that they have enacted the coalition’s promises from before the election for utility services and things of that nature. They have done that—we accept that—but pensioners still cannot afford to live. When will the Labor Party get that through their thick skulls? Pensioners cannot afford to live and the government are doing nothing about it. That is why the coalition—together with some of the minor parties we hope—believe that pensioners are owed a better deal. We are striving to give them a better deal. Whilst the government are turning their back on pensioners and on the very real needs of some who have made the greatest contribution to our society over a long period of time, we are presenting a real alternative.

Senator FEENEY (Victoria) (3.09 pm)—As members would be aware, I am a new senator and this is the first occasion upon which I have spoken in a debate to take note of answers given during question time. One of the many joys of being in this place has been following the other side’s journey of exploration as they have rediscovered the socialist heart beating inside the Liberal Party. It has been Woodstock on the other side for quite a few days now. It is Puff, the Magic Dragon and Lucy in the Sky with
Diamonds over there. That party have in recent times rediscovered the power of the word ‘sorry’. They have rediscovered the republic. They have pronounced that this country does not need a surplus in its Commonwealth government budget. They have pronounced that they will abandon Work Choices. And they have discovered pensioners. We are now seeing the absurd situation where, after 12 years of doing nothing, the other side are trying to develop a heart with respect to pensioners.

The other side have discovered a new place on the left-right political spectrum and it is the confused place. Even the National Party are seeking to find the eject button. The new Leader of the Nationals in this place has declared that he wants to be a more independent voice, and no doubt that means a voice that seeks to no longer be heard alongside the confused voice of the Liberal Party. Under Mr Turnbull’s new leadership of the Liberal Party we see the same confused adherence to this notion of trying to find the bleeding socialist heart of the Liberal Party.

They complain about the fact that the Prime Minister of Australia is going overseas. What a nonsense this is. The Prime Minister has rushed straight to the front line. He has gone exactly where this country needs him. In support of that proposition, I bring to bear the weight of no less powerful an authority than Malcolm Turnbull himself, who said recently:

There is very great concern about the situation here in America and that’s really the reason I’m here. The security, the mortgages, the homes, the jobs of Australians depend in large measure on the international developments coming out of the United States of this credit crisis, so it was important for me as Shadow Treasurer to come here...

I am sure in reading that I did not give proper weight to the pomposity with which it was originally said, but the intent is clear. Until recently, the other side understood that visiting the United States of America was critical in dealing with some of the challenges facing this country, not the least of which is the financial crisis.

What will Mr Rudd be doing when he is in the United States of America? There could not be a greater opportunity for our head of government to meet with the heads of state of other critical nations. In fact, 13 of the 15 heads of state of the biggest economies of the world will be in attendance at the United Nations General Assembly. Of course, 222 government heads of state are attending the assembly. But, of course, for the other side it is all a magical mystery tour.

**Senator Barnett**—Try talking about pensioners.

**Senator FEENEY**—You might have tried talking about pensioners for the last 12 years, Senator Barnett, but you did not find your voice. The question has to be: what has changed? How is it that pensioners were entitled to nothing nine months ago and now suddenly the other side have decided that pensioners are deserving of a change?

This government has compassion and economic responsibility at its heart, both attributes completely absent from the other side both when they were in office and now that they are out of office. The Liberals are completely obsessed with their own internal politics, obsessed with the new purge of the Liberal Party by this ‘time of the moderates’. They are still adhering to this absurd idea that the Prime Minister should not be going overseas.

Pensions are presently to be subject to a holistic review. In this review this government is going to be looking at pensioners’ circumstances in a proper and considered manner and will be considering their entitlements in the context of both what is required and what is affordable. This review is
not off the cuff or shooting from the hip. It is not simply a political stunt. It is not something that ignores 2.2 million beneficiaries, as the other side’s stunt bill does. The other side are presenting a false dawn. *(Time expired)*

**Senator HUMPHRIES** (Australian Capital Territory) (3.14 pm)—It is worth reminding those opposite that in debating the motion moved by Senator Bernardi we are talking about the plight of pensioners in this country. I wonder what the Australian pensioners listening to this broadcast today—and there would be quite a few of them, as we know—are thinking, with the sort of conversation that has gone on today in this place, about the priorities the parliament has with respect to their needs and the crisis they are facing with the cost of living.

Senator Feeney may be interested in hammering the issue of the Prime Minister’s overseas travel but that is not what we are talking about. We are talking about the fact that pensioners in Australia today are doing it tough. I would like to refer to the language used not by this side but by the now minister, Minister Macklin, when she introduced, in the second half of last year, the motion for an inquiry into the cost-of-living pressures facing older Australians. At that time she said that Australian pensioners were doing it tough and that they wanted action. They wanted something done about this issue. The inquiry was held. Members of this place were part of that inquiry and they found that there was a problem. They found that pensioners needed some reconsideration of the base level of payment of pensions in this country. We particularly, in that inquiry, drew attention to the problem of single pensioners vis-a-vis the amounts being paid to couple pensioners.

We are proposing today to do something about that, to make something change and to deal with that issue. We have put on the table a comprehensive and immediate response to that problem because we accept, as we did last year when this inquiry was moved and we agreed to it immediately, that we need to act on this question. Australian pensioners are doing it tough. The question is worth asking, ‘What has changed for those pensioners in the last 12 months?’ What has changed is that the government announced in their budget earlier this year that they were going to make certain payments or allowances available to pensioners—but, of course, that was simply to put on a different footing payments that had been made by the previous government. The question is perhaps more pertinently phrased, ‘What are they not doing?’ What is this government not doing about pensions and their adequacy in this country? What they are not doing is addressing the question of the rising costs of groceries. Nobody in this country who looks at the GROCERYchoice website would attain any benefit from looking at that site as to what they should do to bring down the cost of purchasing groceries each week.

The government are doing nothing about petrol. Even if the government’s deeply flawed Fuelwatch scheme were to be actually implemented by this place, we know that it would cut out those cheap Tuesdays. Who uses those cheap Tuesdays to get low-cost petrol in this country? Pensioners do. That is going out the window if your Fuelwatch scheme happens to get up and, of course, that is a very serious blow to those people who rely on those sorts of measures to get cheaper petrol. They are pushing inflation up through a range of measures in this budget and this is going to increase the cost of living for people across the board. They are also forcing hundreds of thousands of Australians—again, it is very likely primarily pensioners in that group—out of private health insurance by pushing up the cost of private
health insurance premiums. Up to one million Australians could be leaving private health insurance as a result of the measures this government is taking. Pensioners will, no doubt, be foremost among that group.

I want to address this myth—this myth the Labor Party perpetuates—about the former government having done nothing to deal with the pensioners. Today the single age pension stands at $273.40 per week. If it had not been for the decision that the coalition made in 1997 to adjust pensions by reference to MTAWE—not just to the CPI—that rate would be only slightly above $200 per week. In other words, $72.80 of the $273 or so that pensioners receive today is attributable to our decision to adjust pensions by reference to MTAWE. That is what we did. What have you done, and what will you do? I suggest you look at the proposal put on the table by the coalition and you back it—because that is a real measure to make sure that pensioners in this country are able to take advantage of a real change to benefit their standard of living, and it is a real measure of action in this area.

Senator BILYK (Tasmania) (3.19 pm)—I do not know that I have heard so much interesting conversation for such a long time. It is just astounding to me that the other side have, all of a sudden, developed this social conscience. They had 12½ years to develop a social conscience and they could not do it. They could have, but they would not. They actually voted it down. But now they have become the saviours of the pensioners. I find that quite sickening and I am sure that the pensioners are not conned at all, because they know that for 12½ years the other side did very, very little to help them.

Senator Barnett—They supported our bill.

Senator BILYK—That is not so, according to some things I have read, Senator Barnett. Over the coming months the Rudd government is fixing the whole system, root and branch, and fixing it for everyone. Today, all of a sudden, we saw just about everyone being included in the arguments. Last week it was such an important issue that there were only two questions on it in the whole of question time for the week. Did you all travel down the road to Damascus over the weekend? I do not quite know what has gone on on that side. Something heart-warming has happened over there—and I am pleased to see that it has finally happened. But it is 12½ years too late.

We are undertaking to fix the problems with the age pension and the payments for carers and for people with disabilities. We know that they are finding it hard to make ends meet and we are looking at the best way of providing some security for the long term. We are not offering them one-stop fixes that say, ‘Here we are coming up to an election; we will offer you an extra $500 and we think that you are all so silly that you will vote for us.’ Thankfully they were not so silly—I do not think they are silly at all—and thankfully they did not actually vote for you when it came to choosing who would win government.

Over the last 10 to 15 years—that is, under the Howard government—pensioners saw growth in their pensions of about two per cent, in real terms, above inflation. So, in regard to what Senator Humphries was saying, this growth was actually below average household disposable income growth. The pension review is looking at the frequency of payments, including the effectiveness of lump sum or bonus payments versus ongoing support. The previous government’s practice of paying one-off bonuses to carers and seniors when the budget allowed created uncertainty. Pensioners would hang out to see if they were actually going to get a bonus or not. We need some certainty and security for
these Australians. They need to be able to know whether the money is going to be there and they need to be able to access it.

I am just amazed at the backflip the coalition have done. They could not come up with $30 a week last year, but today they want to offer the world and it is a complete joke. They are not really determined to fix their mistakes; they have left it to us to fix them and then they cry wolf over the fact that it might take us some time to do so because we choose to do it properly, not just to have a quick-fix approach. The Liberals will not support the government’s legislation on luxury car tax or the Medicare levy but all of a sudden they are happy to have us spend the money willy-nilly from the budget.

Senator Bushby—You’ve got a $22 billion surplus.

Senator BILYK—We are responsible over here. We acknowledge that there is a problem and people are doing it hard, but we also acknowledge that any fix needs to be done in a proper manner, making sure that there is security for these people. The Liberals’ economic irresponsibility beggars belief as far as I am concerned. This is a complex issue and I do not think the opposition are serious at all. I think you are just grandstanding for political media runs and that is just despicable. As I said, you only had two questions in regard to this issue in the whole of question time last week—

The DEPUTY PRESIDENT—Order! Senator Bilyk, I am loath to interrupt but you must address your remarks through the chair.

Senator BILYK—Through you, Mr Deputy President, the opposition only had two questions in the whole of question time last week on this issue. If they were serious about this issue, they would have had a lot more questions. There was a lot of posturing going on last week. I could just about time every 3½ minutes when Senator Abetz would jump up on a point of order—it was a bit Pavlovian. The opposition have to be more serious about what they put their minds to. How do you think people feel? People are not silly, they do not think that just because—

(Time expired)

Senator BARNETT (Tasmania) (3.24 pm)—I stand today to speak in support of the motion moved by Senator Bernardi to take note of answers from government ministers with respect to pensioners. Pensioners are doing it hard. The Rudd Labor government do not care about pensioners. That has been demonstrated not only today but in recent days through the government’s inaction in their lack of support for our opposition legislation to increase the base rate for the single age pension by $30 a week.

It is very disappointing indeed when they know full well that they can support this legislation, this initiative, and make a difference in the lives of pensioners across Australia. They know that since they were elected there has been upward pressure on prices with respect to groceries. They know there have been increases in petrol prices. It is very hard. I can quote Senator Bilyk when she said, ‘I know it is hard for pensioners to make ends meet.’ Too right; I am glad she knows that. I know that senators in this chamber are aware of that.

I had an incident only last week where a local pensioner in my home town of Launceston was expressing extreme concern about her ability to pay the bills: the heating bill and the power bill, and to pay for food. She was referring to one of her friends who had an extra cost of upgrading the bathroom for a new shower screen. These are real-life examples where pensioners need help. For some people in the government $30 a week may not sound like a lot, but it means a lot right now and pensioners need it now. The government have said, ‘Yes, let’s have a re-
view. For goodness sake, they have 165-odd reviews going on at the moment. My understanding is that the review they are talking about will not report until early next year and then, of course, they are going to have to consider the report that is delivered and we probably will not see anything announced until the May budget next year. We are talking about September 2008; we are talking about now.

The fact is this government are big on smoke screens, big on symbolism and very, very short on action—doing and delivering. Actions speak louder than words; we all know that, and the government could get behind this coalition bill to make a difference in the lives of pensioners. We have seen the dilatory approach to the management of our economy by the Rudd Labor government. Sadly, as a result of the budget, with an increase in spending, we have seen the increase in taxes and of course we have had the increase in grocery prices, the increase in petrol prices and upward pressures all round.

That is particularly so in rural and regional parts of Australia, but in Tasmania for example, in the northern parts, petrol prices are up to 15c per litre higher than they are in the southern part of the state and indeed they are significantly higher than in Melbourne and Sydney. It is so much harder for pensioners in Tasmania than those in other parts of Australia. So $30 a week is important; we can deliver that and it would be a very good result.

We are all concerned for pensioners but we can deliver and make a difference in their lives. We all know that a fair whack of them would be eating blackberry jam—why is that? The reason is that it is the poor man’s strawberry jam. They would be eating blackberry jam because they do not have the money to pay for a decent amount of food and groceries each week. It is hard going for them. Let us make it very clear that this government should turn around—if you call it a backflip, we will welcome it. They have been saying: ‘No, no, no. Yes, pensioners are hurting, they need help.’ Then they say, ‘Let’s have a review that will report early next year’—that is, the Henry review. Mr Rudd has duded the pensioners and he should do a backflip and support this immediate increase for pensioners. We have done the hard yards in government. We have delivered a strong economy. The Rudd Labor government have a $22 billion surplus. They can use some of that and they can use it wisely in supporting this legislation put forward by the coalition.

Question agreed to.

Climate Change

Senator MILNE (Tasmania) (3.29 pm)—I move:

That the Senate take note of the answer given by the Minister for Climate Change and Water (Senator Wong) to a question without notice asked by Senator Milne today relating to climate change and the protection of native forests.

I put to the minister: did she agree with former New South Wales Premier Bob Carr that protecting native forests is fundamental to fighting climate change and that keeping carbon locked up or sequestered in Australia’s native forests instead of logging them will not only slow Australia’s rising greenhouse gas emissions but also have biodiversity benefits? Senator Wong studiously avoided the question of whether she agreed with former Premier Bob Carr. She also completely ignored the question of logging of native forests and went quickly on to the fact that Australia has regional forest agreements and that these regional forest agreements govern logging. Yes, they do, but they say nothing about the carbon from the logging of native forests in Australia. In fact, under the Kyoto protocol, logging of native...
forests is deemed to be carbon neutral providing the land use does not change, and that has been the big problem with the Kyoto accounting when it comes to logging native forests. Senator Wong knows that and I know that. The point is that the government will not address this.

Senator Wong talked about Australia’s national accounting system, but Australia’s national accounting system is completely inadequate when it comes to looking at the carbon stored in Australia’s native forests. She did mention, which I am pleased about, the report by the ANU Fenner School of Environment and Society, _Green carbon: the role of natural forests in carbon storage_, released in August this year, that says that carbon stocks in standing native eucalypt forests are much greater than previously thought. In fact we now know that the carbon carrying capacity of the 14.5 million hectares of native eucalypt forest in south-eastern Australia was estimated at around 9.3 gigatonnes, three times higher than previously thought. The point is that the NCAS system is inaccurate in measuring the carbon stored in native vegetation. The point that former Premier Carr made is the one that needs to be taken on board by this government—that is, with energy emissions out of control and with transport emissions out of control, the only way Australia can make a deep cut in carbon emissions between now and 2020 and have a transitional strategy on transport and energy is to protect native forests and native vegetation now. That is the point. It is also fantastic for biodiversity because it builds resilience in ecosystems, as our natural vegetation is what will give us our best chance at adaptation to climate change and connectivity between biodiverse areas of forest.

Senator Wong talked about Indonesia and PNG, and the point I was making there is that Australia is rushing to tell PNG and Indonesia that they must protect their forests because the world cannot stand the deforestation emissions coming from those countries. That is quite right, but she will be regarded as a total hypocrite, and in fact Australia will be seen as a total hypocrite, if we go to Poznan and on to Copenhagen saying that other countries should not log their forests because it is bad for carbon emissions but that Australia reserves the right to log all of our native forests, as we are currently doing in Tasmania, in Gippsland, in south-west Western Australia, in Bermagui—you name it. Right across the country this logging goes on—as if the developing world is not going to take one very good look at Australia and say, ‘Why don’t you do what you are telling us you want us to do?’ If we want to stop deforestation and degradation from logging, as indeed I do—and I support the reduced emissions from deforestation and degradation—we have to stop it at home. It provides us with a great opportunity to protect biodiversity and a great opportunity to cut our emissions and take a leadership role to Copenhagen next year by being able to say that Australia is doing it and that we want the rest of the world to do it too. The irony of this is that, while Australia is logging its forests and ignoring the fact that we already have a perfect carbon capture and storage scheme in native forests, we are pouring billions of dollars into a pipedream for the coal industry, which is a 21st century landfill strategy to fill up holes in the ground with liquid carbon dioxide and expect the community to take liability in the longer term. So we pay for a technology that does not work and we drive the destruction of the carbon capture and storage technology, the trees that we do have now. How stupid is that?

I ask the government to reconsider its priorities and pour its money into protecting our native vegetation and not put it down holes in the ground for the sake of the coal indus-
try, which will be leapfrogged whether the
government likes it or not. Renewables and
efficiency will leapfrog coal in this genera-
tion.

Question agreed to.

NOTICES
Presentation

Senator WORTLEY (South Australia)
(3.35 pm)—Following the receipt of satisfac-
tory responses, on behalf of the Senate
Standing Committee on Regulations and Or-
dinances, I give notice that on the next day
of sitting I shall withdraw four notices of
motion to disallow as follows:

Business of the Senate notice of motion no.
1 for the next day of sitting for the disal-
lowance of the Film Certification Advisory
Board Rules 2008, made under subsection
376-260(1) of the Income Tax Assessment
Act 1997.

Business of the Senate notice of motion no.
1 for 8 sitting days after today for the disal-
lowance of the Student Assistance (Public
Interest Certificate Guidelines) Determina-
tion 2008, made under paragraph 356(1)(a)

Business of the Senate notices of motion
nos 1 and 2 for 11 sitting days after today
for the disallowance of the following in-
struments:

Family Assistance (Public Interest Cer-
tificate Guidelines) (FaHCSIA) Deter-
mination 2008, made under subparagraph
169(1)(a)(i) and paragraph 169(1)(b) of the A New Tax System
(Family Assistance) (Administration)
Act 1999.

Social Security (Public Interest Certifi-
cate Guidelines) (FaHCSIA) Determina-
tion 2008, made under subparagraph
209(a)(i) and paragraph 209(b) of the
Social Security (Administration) Act
1999.

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

Leave granted.

The correspondence read as follows—

Film Certification Advisory Board Rules 2008
20 March 2008

The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the
Arts
Suite M1.40
Parliament House
CANBERRA ACT 2600

Dear Minister

The Committee’s function is to examine all legis-
lative instruments subject to disallowance or dis-
approval by the Senate to ensure that they comply
with broad principles of personal rights and par-
lamentary propriety.

The Committee has considered the Film Certifica-
tion Advisory Board Rules 2008 made under sub-
section 376-260(1) of the Income Tax Assessment
Act 1997 and identified the following matter that
may not comply with those principles.

Sub-rule 12(1) of this instrument permits the
Minister to terminate the appointment of a Board
member for “misbehaviour”. The scope of this
term is not defined and the sub-rule thus appears
to give the Minister a very broad discretion. Simi-
larly, it is not clear what rights of review or ap-
peal a Board member has against such a decision.
The Committee therefore seeks your advice as to
the intended operation of this provision.

The Committee would appreciate your advice on
the above matter as soon as possible, but before 5
May 2008, to enable it to finalise its consideration
of these Rules. Correspondence should be di-
rected to the Chair, Senate Standing Committee
on Regulations and Ordinances, Room SG49,
Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair
22 July 2008
Dear Senator

Thank you for your letter of 20 March 2008 concerning the Film Certification Advisory Board Rules 2008 (the Rules). I appreciate your letter and regret the time it has taken to reply.

The Senate Standing Committee on Regulations and Ordinances (the Committee) raised the issue of the intended operation of sub-rule 12(1) of the Rules.

The issue specifically relates to “misbehaviour” as grounds for the Minister to terminate the appointment of a Board member and the rights of review or appeal should the Minister decide to terminate an appointment.

I am advised that the clause that the Committee has identified is identical to that which is included in a very large number of Acts including the Australia Council Act 1975, Australian Film, Television and Radio School Act 1973, Australian National Maritime Act 1990, National Gallery Act 1975, National Library Act 1960, National Museum of Australia Act 1980, Screen Australia Act 2008 and National Film and Sound Archive Act 2008. An identical clause is found in many pieces of delegated legislation, for example the Fuel Standards Regulations 2001, the Therapeutic Goods Regulations 1990 and the Australian Radiation and Protection and Nuclear Safety Regulations 1999. I understand that the provision is used so widely that it could be regarded as a standard formulation.

The term ‘misbehaviour’ is not defined in the standard formulation on which sub-rule 12(1) is based. Because of the wide variety of circumstances in which misbehaviour may occur there would be considerable difficulty in formulating an adequate definition that covered all possible circumstances. General guidance on the meaning of misbehaviour is given by the judgment of the Full Court of the Federal Court (the Court) in Vanstone v Clark [2005] FCAFC 189. In that case the Court held that it was necessary to consider whether misbehaviour affected the capacity of a person to hold the particular office. The Court’s reasoning in that case would be relevant to any decision under sub-rule 12(1).

The decision to terminate an appointment under sub-rule 12(1) would be governed by the principles of procedural fairness. Procedural fairness would require that a Board member be given notice of a proposed decision to terminate his or her appointment, including the reasons for that decision and provided with a reasonable opportunity to respond. A final decision would need to take into account any response from the Board member.

I am advised that the decision to terminate an appointment would be a ‘decision of an administrative character’ taken under an enactment and would therefore be reviewable under the Administrative Decisions (Judicial Review) Act 1975 (ADJR Act). A Board member whose appointment had been terminated could apply for review of that decision to the Federal Court or the Federal Magistrates Court under the ADJR Act.

Yours sincerely

Peter Garrett AM
Minister for the Environment, Heritage and the Arts
28 August 2008

The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Suite M1.40
Parliament House
CANBERRA ACT 2600
Dear Minister

Thank you for your letter of 22 July 2008 responding to the Committee’s concerns with the Film Certification Advisory Board Rules 2008. The Committee appreciates your advice that members of the Board have a right of review under the Administrative Decisions (Judicial Review) Act 1975 of any decision to terminate their appointment.
In your response you advised that the provision dealing with a decision to terminate an appointment on the grounds of ‘misbehaviour’ is widely used and found in many Acts that establish Boards. The Committee appreciates your argument but is concerned that the fact that such a provision is widespread does not make it any less of a problem. You directed our attention to a decision by the Federal Court in which it was held that the word ‘misbehaviour’ should be read to mean ‘misbehaviour which affects the capacity of a person to hold a particular office’. Given this clarification of the term, we suggest that the Rules be amended to use the same language as that used by the Court.

The Committee would appreciate your advice on the above matter as soon as possible, but before 12 September 2008, to enable it to finalise its consideration of these Rules. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair

15 September 2008
Senator Dana Wortley
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG49
Parliament House
CANBERRA ACT 2600

Dear Senator
Thank you for your letter of 28 August 2008 concerning the Film Certification Advisory Board Rules 2008 (the Rules) and specifically the operation of sub-rule 12(1) of the Rules which relates to “misbehaviour” as grounds for the Minister to terminate the appointment of a Board member.

I note that in response to my letter of 22 July 2008 explaining the operation of sub-rule 12(1), the Senate Standing Committee on Regulations and Ordinances has suggested that the sub-rule be amended to use the phrase “misbehaviour which affects the capacity of a person to hold a particular office”.

The Film Certification Advisory Board (the Board) fulfils an important role in providing expert advice on film production budgets and administration of the Location and PDV Offsets. The government and the Australian public need to have confidence in the integrity of the Board members. Past experience shows that misbehaviour can arise in a wide variety of situations, both in and out of office. Unethical behaviour outside of office, which might be unrelated to a member’s technical capacity to perform his or her duties, nonetheless can raise serious questions which ultimately go to the integrity of the Board’s decision making.

I understand that the suggested amendment is based on the conclusion of the Federal Court in Vanstone v Clarke that misbehaviour is connected to a person’s capacity to hold a particular office. In that context the court was considering a reference to misbehaviour without any further qualifications such as you have suggested. Based on advice from the Australian Government Solicitor (AGS), I understand that amending the Rules as suggested could have inadvertent and undesirable consequences. The amended provision could be given an unduly narrow interpretation by a court. In particular there would be a question as to my capacity to act in respect of “misbehaviour” that does not directly relate to a member’s capacity to provide expert advice on film production budgets and other related issues but which goes to broader considerations that could reasonably raise issues of general suitability to hold a particular office. These issues could include, for example, criminal conduct or fraud. Such conduct would undermine the credibility of the Board and its ability to effectively perform its functions.

As I have previously indicated, the form of words in sub-rule 12(1) is widely used and is generally regarded as a standard formulation for an extensive range of Commonwealth advisory and statutory boards. The standard formulation clearly applies to misbehaviour, both inside and outside of office, which would call into question the integrity of the member and the member’s continued suitability to hold the office. For this reason, and also for reasons of consistency, it is desirable
that a regulation should be based on a model that has been extensively used in Commonwealth legislation. The standard formulation also provides a Minister with the capacity to act where appropriate, which is balanced by the principles of procedural fairness and other administrative law principles to protect a member’s rights. Legal advice to my Department from the AGS confirms this view.

The Government and the Australian public need to have confidence in the integrity of the Board members. I would hope never to have to take action in respect of sub-rule 12(1). However, in the event a member’s behaviour is such that it adversely impacts on that member’s ability to provide independent expert advice on relevant matters, or adversely affects the ability of the Board to effectively perform its functions, I would not wish to be constrained in my ability to terminate that member’s appointment.

Yours sincerely

Peter Garrett AM
Minister for the Environment, Heritage and the Arts

Student Assistance (Public Interest Certificate Guidelines) Determination 2008
19 June 2008
The Hon Julia Gillard MP
Minister for Education
Suite MG41
Parliament House

Dear Minister


Paragraph 10(c) of this Determination permits relevant information to be disclosed if it is necessary to brief a Minister in relation to issues that are, or will be, raised publicly by the person to whom the relevant information relates, so that the Minister can correct, amongst other things, “an incorrectly held opinion”. It is not clear what this expression means. Other expressions used in the same paragraph refer to correcting matters about which there can be an objective assessment, such as a ‘mistake of fact’ or a ‘misleading statement’. It is not clear how an opinion can be ‘incorrectly held’. The Committee therefore seeks clarification on the intended meaning of this term. The Committee also seeks your advice on whether any safeguards are available where information generally is disclosed or becomes public (for example, is the person affected informed that disclosure has taken place?)

The Committee would appreciate your advice on the above matter as soon as possible, but before 18 August 2008, to enable it to finalise its consideration of this Determination. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair
29 July 2008
Senator Dana Wortley
Chair
Standing Committee on Regulations and Ordinances
Room SG49
Parliament House

Dear Senator Wortley


In your letter you refer to Paragraphs 10 and 11(c) of this Determination and seek clarification of the wording in the Guidelines of the phrase ‘an incorrectly held opinion’—specifically the intended meaning of this term and the safeguards around the disclosure of personal information.

The relevant provision the Senate Committee has raised was replicated in the Social Security (Public Interest Certificate Guidelines) (DEEWR) Determination 2008 from previous instruments. The provision has been included in the former Departments of Employment and Workplace
The provision was originally included in the social security guidelines as the result of a request from Department of Human Services (DHS) seeking the capacity to disclose protected information should it be necessary to brief the Minister for Human Services on matters that arise in the public arena in relation to social security payments which may require clarification.

The intention of this provision is to capture the situation where an opinion in the public arena is based on misinformation or lack of information, or a misunderstanding of a situation, and it is considered that the opinion is therefore incorrectly formed and held because it has been formed on a false or incorrect premise. Where this occurs it is appropriate that the Minister be briefed to ensure he or she can properly respond to the incorrectly held opinion that may impact negatively on the integrity of the social security system.

In relation to safeguards for the disclosure of information, information will not be disclosed unless it is certified by the Secretary (or the delegate where appropriate) that the disclosure is in the public interest in accordance with the Student Assistance (Public Interest Certificate Guidelines) Determination 2008. In each circumstance the Secretary (or delegate) will have regard to the circumstances and the information that is to be disclosed.

The clarification for the disclosure of information is provided in the Guidelines, specifically under Sections 10 Mistake of fact and under Section 11 Ministerial briefing.

I hope this information is of assistance to the Committee.

Yours sincerely

Julia Gillard

Minister for Education
28 August 2008

The Hon Julia Gillard MP

Minister for Education

Suite MG.41

Parliament House

CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 29 July 2008 responding to the Committee’s concern with the Student Assistance (Public Interest Certificate Guidelines) Determination 2008.

In your response you advise that the provision ‘an incorrectly held opinion’ is intended to refer to the situation where opinions are formed on the basis of incorrect information. Given this explanation, the Committee considers that the Guidelines should make this clear by referring to ‘opinions formed on the basis of incorrect information’ rather than ‘incorrectly held opinions’.

The Committee has also written to the Minister for Families, Housing, Community Services and Indigenous Affairs making the same comment in relation to similar instruments that contain the same provision.

The Committee would appreciate your advice on the above matter as soon as possible, but before 2 September 2008, to enable it to finalise its consideration of this instrument. If the matter cannot be resolved by this date, the Committee will give a notice of motion to disallow these Guidelines to allow further time to resolve the matter.

Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley

Chair

16 September 2008
Senator Dana Wortley
Chair
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Wortley

In your letter, you note that the Guidelines should be clearer on the point that an incorrectly held opinion is an opinion formed on the basis of incorrect information. I have reviewed paragraph 10(c) of the Guidelines and am of the view that the words ‘or an incorrectly held opinion’ should be removed. The words ‘correcting a mistake of fact, a misleading perception or impression, [or] a misleading statement’ will cover the circumstance that an opinion is held on the basis of incorrect information.

Similarly, I propose to remove those words from similar guidelines made by me under the Social Security (Administration) Act 1999 and the A New Tax System (Family Assistance) (Administration) Act 1999. I will amend paragraph 10(c) of the Guidelines and the equivalent paragraphs of the other instruments at the next available opportunity.

I note you have written to the Hon Jenny Macklin MP, Minister for Families, Housing, Community Services and Indigenous Affairs, and Senator the Hon Joe Ludwig, Minister for Human Services, and I have copied this letter to them for information.

I trust the above satisfies the Committee’s concerns.
Yours sincerely
Julia Gillard
Minister for Education

26 June 2008
The Hon Jenny Macklin MP
Minister for Families, Housing, Community Services and Indigenous Affairs
Suite MG.51
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to the following instruments that provide for public interest certificate guidelines under the A New Tax System (Family Assistance) (Administration) Act 1999 and the Social Security (Administration) Act 1999:

- Family Assistance (Public Interest Certificate Guidelines) (FaHCSIA) Determination 2008

Each of these Determinations specifies guidelines for the exercise of the power of the Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs to disclose information when it is in the public interest to do so. Section 11 in each instrument states that information may be disclosed for the purposes of Ministerial briefings. Subsection 11(c) in each instrument states that this is permissible in relation to issues raised, or proposed to be raised, publicly by or on behalf of the person to whom the information relates, so that the Minister can respond by correcting, amongst other things, “an incorrectly held opinion”. It is not clear what this expression means. Other expressions used in the same paragraph refer to correcting matters about which there can be an objective assessment, such as a ‘mistake of fact’ or a ‘misleading statement’. It is not clear how an opinion can be ‘incorrectly held’. The Committee would appreciate clarification on the intended operation of this term.

The Committee would appreciate your advice on the above matter as soon as possible, but before 18 August 2008, to enable it to finalise its consideration of these Determinations. Correspon-
Yours sincerely
Senator Dana Wortley
Chair
5 August 2008

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

Dear Minister

In your response you advise that the provision ‘an incorrectly held opinion’ is intended to refer to the situation where opinions are formed on the basis of incorrect information. Given this explanation, the Committee considers that the Guidelines should make this clear by referring to ‘opinions formed on the basis of incorrect information’ rather than ‘incorrectly held opinions’.

The Committee has also written to the Minister for Education making the same comment in relation to a similar instrument that contains the same provision.

The Committee would appreciate your advice on the above matter as soon as possible, but before 12 September 2008, to enable it to finalise its consideration of these instruments. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair
17 September 2008
Senator Dana Wortley  
Chair  
Standing Committee on Regulations and Ordinances  
Parliament House  
CANBERRA ACT 2600  
Dear Senator Wortley  
In your letter, you note that the Guidelines should be clearer on the point that an incorrectly held opinion is an opinion formed on the basis of incorrect information.  
I have reviewed paragraph 11(c) of the Guidelines and am of the view that the words ‘or an incorrectly held opinion’ should be removed. The words ‘correcting a mistake of fact, a misleading perception or impression, [or] a misleading statement’ will cover the circumstance that an opinion is held on the basis of incorrect information. Accordingly, I will amend paragraph 11(c) of the Guidelines at the next available opportunity.  
I have copied my letter to the Deputy Prime Minister, the Hon Julia Gillard MP, and the Minister for Human Services, Senator the Hon Joseph Ludwig.  
I hope the above satisfies the Committee’s concerns.  
Thank you again for writing.  
Yours sincerely  
Jenny Macklin MP  
Minister for Families, Housing, Community Services and Indigenous Affairs  

Senator Wortley—On 24 June this year the Regulations and Ordinances Committee gave notice of a motion to disallow the Film Certification Advisory Board Rules 2008. One of the provisions in this instrument permitted the minister to terminate the appointment of a board member for misbehaviour. The scope of this term was not defined and seemed to give the minister a very broad discretion to dismiss. The committee sought advice on this issue as well on the availability of review rights.  
The minister responded that this provision was, essentially, a standard term used throughout much Commonwealth legislation. However, some general guidance on its interpretation could be found in the Federal Court decision in Vanstone v Clark. In that case, the court held that it was necessary to consider whether the misbehaviour affected the capacity of the person to hold the particular office. Given this clarification, the committee thought that it would be helpful if these rules were amended to use the same language as that used by the court. In other words, the minister would have a discretion to terminate an appointment for misbehaviour which affects the capacity of a board member to hold office. The minister responded that advice from the Australian Government Solicitor suggested that such an amendment could have ‘inadvertent and undesirable consequences’. For example, it could be given an unduly narrow interpretation by the courts.  
The time for resolving this disallowance notice has run out, and the committee has today given notice of its intention to remove the notice. It is decided to remove it because what we face is a general issue of legislative drafting rather than a problem with a specific provision. In addition, to disallow this provision would simply remove the minister’s right to terminate an appointment, which is not a desirable consequence. However, be-
cause the issue is a general one, an issue of consistency in legislative drafting, the committee will seek the advice of the Attorney-General, the Australian Government Solicitor and the legislative drafters to see whether the use of a term such as ‘misbehaviour’ is adequate or should be changed. I thank the Senate.

**Senator McEwen** to move on the next day of sitting:

That the Environment, Communications and the Arts Committee be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 24 September 2008, from 4.30 pm to 5.30 pm, to take evidence for the committee’s inquiry into the Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008.

**Senator Sterle** to move on the next day of sitting:

That the Rural and Regional Affairs and Transport Committee be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 24 September 2008, from 3.30 pm, to take evidence for the committee’s inquiry into the Horse Disease Response Levy Bill 2008 and two related bills.

**Senator Hurley** to move on the next day of sitting:

That the time for the presentation of the report of the Economics Committee on matters relating to the gas explosion at Varanus Island, Western Australia, be extended to 13 November 2008.

**Senator Hurley** to move on the next day of sitting:

That the order of the Senate of 16 September 2008, authorising the Economics Committee to hold a public meeting during the sitting of the Senate on Tuesday, 23 September 2008, be varied to provide for the committee to continue to meet from 6 pm to take evidence for the committee’s inquiry into Australia’s space science and industry sector.

**Senator Hanson-Young** to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) the mismanagement of the Murray-Darling river system is shaping up to be Australia’s largest environmental catastrophe, and

(ii) on Sunday, 28 September 2008 a rally for the Murray River will be held in Adelaide to highlight the need for immediate, decisive action; and

(b) calls on the Government to establish a taskforce to evaluate the options of the current Senate inquiry into the Lower Lakes and Coorong, and develop an action plan to put the solutions into place.

**Senator LUDWIG** (Queensland—Manager of Government Business in the Senate) (3.38 pm)—I give notice that, on the next day of sitting, I shall move:

That—

(1) On Tuesday, 23 September 2008:

(a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7 pm to 11.40 pm;

(b) the routine of business from 7 pm shall be government business only; and

(c) the question for the adjournment of the Senate shall be proposed at 11 pm.

(2) On Thursday, 25 September 2008:

(a) the hours of meeting shall be 9.30 am to 6.30 pm and 7 pm to adjournment;

(b) consideration of general business and consideration of committee reports, government responses and Auditor-General’s reports under standing order 62(1) and (2) shall not be proceeded with;

(c) the routine of business from 12.45 pm till not later than 2 pm, and from not later than 4.30 pm shall be government business only;

(d) divisions may take place after 4.30 pm;

(e) the question for the adjournment of the Senate shall be proposed when a mo-
tion for the adjournment is moved by a minister; and
(f) if the Senate is sitting at 11 pm, the sitting of the Senate shall be suspended till 9.30 am on Friday, 26 September 2008.

(3) On Friday, 26 September 2008:
(a) the hours of meeting shall be 9.30 am to 4.30 pm;
(b) the routine of business shall be:
   (i) notices of motion, and
   (ii) government business only; and
(c) the question for the adjournment of the Senate shall be proposed at 3.50 pm.

I seek leave to make a short statement about the notice of motion I have just given.

Leave granted.

Senator LUDWIG—I thought it was worth me speaking briefly to the notice of motion for the chamber’s benefit. It provides that the Senate will sit on Tuesday until 11 pm and, in addition, on Thursday until 11 pm, plus the usual 40-minute adjournment. Then the Senate will suspend and sit on Friday. I thought it was worth providing that quick overview to the Senate today. I have given notice of this motion. We can have further discussions on this today and tomorrow when it comes up. At the moment it is being circulated and we are seeking comment from the opposition, the minor parties and Independents about how we proceed. The government is serious about passing legislation this week, and we can entertain discussions about how we proceed. This notice of motion is effectively a protective notice of motion so that we can use the time between now and tomorrow to confirm this notice or, alternatively, come to a mutually agreeable position on what the hours should be to ensure that we do sit. I thought it was helpful to inform the Senate that the government’s intention is to deal with the luxury car tax, and there may be other bills that need to be passed this week to ensure that they can commence. I also wanted to provide notice to the Senate that we will be sitting late on Tuesday and on Thursday and possibly on Friday as well.

Senator ELLISON (Western Australia) (3.39 pm)—by leave—I do not want to prolong matters, but suffice to say the coalition wants to work with the government in relation to times to accommodate the government’s agenda. Can I suggest that a leaders and whips meeting could well assist in sorting out matters and I strongly urge the government to have such a meeting. We would be more than willing to participate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.40 pm)—by leave—The leaders and whips idea may be a good one to pursue. I can foresee more of this coming down the line. I want to reiterate the Greens position on sitting Fridays. If it becomes necessary to sit on Fridays, we would expect that would mean Thursday night did not cope and Friday is going to be a fairly full sitting. We believe that under those circumstances there should be a question time. If it is important enough for the Senate to sit, it is important enough for a question time so that the urgent, important other matters of the day can be taken into account.

Senator Siewert to move on 24 September 2008:

That the following bill be introduced: A Bill for an Act to provide for the establishment of a Stolen Generations Reparations Tribunal to decide and make recommendations on claims for reparation and other matters, and for related purposes. Stolen Generations Reparations Tribunal Bill 2008.
Senator Ludlam to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) Sunday, 21 September 2008, was the International Day of Peace, declared by the United Nations (UN) General Assembly in 2002 as a day of non-violence and a global ceasefire, commemorating and strengthening the ideals of peace both within and among all nations and peoples,

(ii) on this day, a general ceasefire across Afghanistan lasted from midnight Saturday through to midnight Sunday, 21 September 2008, and was observed by the military forces of the United States of America, the North Atlantic Treaty Organization, the Afghan Government and the Taliban, and

(iii) on Thursday, 18 September 2008, the Senate voted against a motion calling on the Government to participate in the International Day of Peace ceasefire and encourage other nations to likewise; and

(b) calls on the Government to reconsider its support for UN initiatives such as the International Day of Peace.

COMMITTEES

Legal and Constitutional Affairs Committee

Meeting

Senator McEwen (South Australia) (3.43 pm)—At the request of Senator Crossin, I move:

That the Legal and Constitutional Affairs Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 23 September 2008, from 4 pm, to take evidence for the committee’s inquiry into the provisions of the Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Bill 2008.

Question agreed to.

Legal and Constitutional Affairs Committee

Extension of Time

Senator McEwen (South Australia) (3.43 pm)—At the request of Senator Crossin, I move:

That the time for the presentation of reports of the Legal and Constitutional Affairs Committee be extended as follows:

(a) Same-Sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Bill 2008 and the provisions of the Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Bill 2008—to 8 October 2008; and

(b) Independent Reviewer of Terrorism Laws Bill 2008 [No. 2]—to 14 October 2008.

Question agreed to.

BEIJING PARALYMPIC GAMES

Senator Ellison (Western Australia) (3.43 pm)—At the request of Senator Bernardi, I move:

That the Senate—

(a) congratulates the 170 Australian Paralympic athletes and 121 officials, Australia’s largest ever overseas team, on their success and efforts in the recent Paralympic Games in Beijing; and

(b) notes that the 2008 Australian Paralympic team brought home a total of 79 medals, including 23 gold, placing Australia fifth on the 2008 Paralympic Games medal tally.

Question agreed to.

MINISTERIAL STATEMENTS

Economy

Trade

Senator Ludwig (Queensland—Minister for Human Services) (3.44 pm)—I present ministerial statements relating to global financial markets and the Mortimer review of export policies and programs.
Monday, 22 September 2008

DOCUMENTS
Departmental and Agency Contracts and Indexed Lists of Files

The DEPUTY PRESIDENT—Pursuant to standing order 166, statements of compliance with the continuing orders of the Senate relating to departmental and agency files and contracts were presented to the President after the Senate adjourned on 18 September 2008, and on 19 September 2008. In accordance with the terms of the standing order, the publication of the document was authorised.

The list read as follows—

Return to order—Statement of compliance relating to departmental and agency contracts—Immigration and Citizenship portfolio agencies (received 18 September 2008)

Return to order—Statement of compliance relating to indexed lists of department and agency files—Department of Defence (received 19 September 2008)

PARLIAMENTARY ZONE
Proposal for Works

Senator LUDWIG (Queensland—Minister for Human Services) (3.45 pm)—In accordance with the provisions of the Parliament Act 1974, I present a proposal for works within the Parliamentary Zone, relating to the National Portrait Gallery forecourt sculpture. I seek leave to give a notice of motion in relation to the proposal.

Leave granted.

Senator LUDWIG—I give notice that, on 25 September 2008, I shall move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being the National Portrait Gallery forecourt sculpture.

COMMITTEES
Scrutiny of Bills Committee
Membership

The DEPUTY PRESIDENT—The President has received a letter from a party leader seeking to vary the membership of a committee.

Senator LUDWIG (Queensland—Minister for Human Services) (3.46 pm)—by leave—I move:

That Senator Siewert be appointed as a member of the Standing Committee for the Scrutiny of Bills.

Question agreed to.

OFFSHORE PETROLEUM (ANNUAL FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

OFFSHORE PETROLEUM (REGISTRATION FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

OFFSHORE PETROLEUM (SAFETY LEVIES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

First Reading

Bills received from the House of Representatives.

Senator LUDWIG (Queensland—Minister for Human Services) (3.47 pm)—I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator LUDWIG (Queensland—Minister for Human Services) (3.47 pm)—I move:

That these bills be now read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.

Leave granted.

The speeches read as follows—

OFFSHORE PETROLEUM (ANNUAL FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

The Offshore Petroleum (Annual Fees) Act 2006 requires the registered holder of petroleum titles held under the Offshore Petroleum Act 2006 to pay an annual fee for each year of the term of the title.

This bill amends the Offshore Petroleum (Annual Fees) Act 2006 by adding greenhouse gas titles to the titles in respect of which annual fees are payable.

I commend this bill to the Senate.

OFFSHORE PETROLEUM (REGISTRATION FEES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

The Offshore Petroleum (Registration Fees) Act 2006 imposes fees for the registration under the Offshore Petroleum Act 2006 of transfers of petroleum titles and approvals of dealings in petroleum titles.

This bill amends the Offshore Petroleum (Registration Fees) Act 2006 by adding greenhouse gas titles to the titles in respect of which transfers and dealings will attract the imposition of registration fees.

I commend this bill to the Senate.

OFFSHORE PETROLEUM (SAFETY LEVIES) AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

The Offshore Petroleum (Safety Levies) Act 2003 imposes a safety investigation levy, safety case levy and pipeline safety management plan levy in respect of petroleum facilities and petroleum pipelines in Commonwealth waters and in State and Northern Territory designated coastal waters (ie in the waters covered by the Commonwealth, State and Northern Territory Offshore Petroleum Acts).

This bill amends the Offshore Petroleum (Safety Levies) Act 2003 by extending the imposition of those levies to greenhouse gas facilities and greenhouse gas pipelines. In the absence of applicable State or Northern Territory legislation, the levies will extend only to greenhouse gas facilities and pipelines in Commonwealth waters.

I commend this bill to the Senate.

Debate (on motion by Senator Ludwig) adjourned.

URGENT RELIEF FOR SINGLE AGE PENSIONERS BILL 2008

Second Reading

Debate resumed.

Senator SIEWERT (Western Australia) (3.48 pm)—I believe I was talking about the Senate inquiry into the cost of living pressures on older Australians and the diminishing quality of life that older Australians on the pension were facing. The report also says:

Unmet needs and insufficient services for facilitating in-home care have further constrained the ability of many older people to participate in the community and is increasing the potential for deterioration of health and well-being that could have negative implications for public and personal health costs.

The report also noted:

Income levels, even at a safety net basis, must sufficiently accommodate the need of older people to participate in social and community activities.

It goes on to say, and this is a particularly important point:

Further, supporting the health and well-being of older Australians will have the corollary benefit of reducing the burden on governments for health care costs, aged services and community service provision.

So in other words: from a moral, ethical or rights point of view, even if we did not care about providing an increase in pensions from the perspective of giving pensioners a decent
quality of life, the economic rationalists would think that the better approach would be to provide for an increase in the base pension rate so that we can meet pensioners’ basic health and wellbeing requirements because that will reduce the cost of the so-called burdens on the health system. When they do not have a sufficient quality of life, obviously their health outcomes become poorer. As I said, I think even economic rationalists can see that argument: you are better off investing a dollar now than two or three dollars later.

In its conclusion, the report also pointed out a number of very important points. It said:

Whilst we may have seen an increase in the real value of the pension, the committee remains unconvinced that this level is sufficient to maintain a basic, decent standard of living.

Here we are talking of ‘a basic, decent standard of living’. It goes on to say:

Further, other factors, such as the decline in the value of concessions and the trend to user-pays systems, appear to have eroded the purchasing power of the pension and shifted costs on to individuals, including those who may not necessarily have a capacity to pay.

So not only have we seen the increasing cost of fuel but the cost of groceries, transport et cetera has also gone up. Because the value of concessions is going down, this is putting extra costs on the capacity of pensioners to pay. The committee heard many, many harrowing stories of pensioners not being able to make ends meet: not calling out for help as early as they should do; not being able to afford to heat their homes; not being able to afford to buy their grandchildren presents, which greatly upset many people that they were not actively able to participate—they felt they could not actively participate in their family life because they did not have the financial resources to do so. They also talked of shame. They felt very strongly that they felt very strong shame that they were not able to afford things and that they had to ask—they thought—for handouts. As I view it, the community has a responsibility to provide a decent quality of living for these people who have literally helped to build this country.

The committee also noted that one-off payments had been provided, and the government have pointed out at length that they have provided some one-off payments. However, the committee also said that they were conscious that one-off payments signal a problem without providing a long-term solution to address that problem. We have heard that many times from pensioners, that these one-off payments have not been sufficient to deal with the ongoing issues.

The report also pointed out that those most at risk are single pensioners, and especially women, who receive the maximum age pension and those that are in private rental accommodation. They also pointed out that other groups in financial stress in the face of the increased cost of living are those with severe disabilities or chronic illnesses and those in residential aged care. Similarly, older people who have been receiving pensions for some period, especially those over 85, struggle because certain costs that have been deferred become necessities, such as house maintenance, appliance replacement costs and increasing medical bills. So you have got increasing pressure on pensioners who have no other way of being able to provide for these services. Again the committee heard of people whose houses were literally falling apart because they had not been able to maintain them. We also heard stories of people who had become widowers or widows going from a married rate and having to survive on the single pension and being unable to do so because they are still meeting the costs of a family home or shared ex-
penses are now being met on the single pension.

There is absolutely no doubt that these people are struggling. We have also heard that the government accepts that there is a problem. The government accepts there is a problem, but, “It’s okay, you guys, you can wait till we have had our review, till we have worked out just how much you’re in poverty, and then we’ll think about maybe putting up the base rate of the single pension. But you sit there and wait.’ When I was growing up I heard of the never-never. That is when you used to buy things on hire-purchase. My mum used to call it putting things on the never-never. I sort of feel it is the same thing here. ‘You are never, never going to get the pay rise. We are putting you on the never-never. Just keep waiting and you may someday get a review of the pension.’ But by then these pensioners—real, living human beings—would have been struggling in straitened circumstances for a very long time. That is not to say that they have only been struggling over the last nine months, because, believe me, the evidence the committee took was largely under the previous government and coming out of the previous government, so these people have been struggling for a long time. Now what we are hearing is that pensioners are being told, ‘Wait until we have done the review and then you will get your increase in the pension.’ No, that will not happen straightaway, because the government will need time to consider the review, and that is going to take a considerable period of time. So they will be on the never-never even longer.

If we had not had the $31 billion tax cuts, the government could have chosen to invest that in our social infrastructure in Australia, in their programs of social inclusion. I would have thought that making sure pensioners have a decent quality of life would have been one of the key tenets of the social inclusion agenda. As I was saying, the committee found that, in order for people to be able to have a decent quality of life and be able to meet their basic living costs, it is essential for them to be able to participate in the community and in its social life. So what would you have thought the government would have been investing in? You would have thought they would have been investing in social inclusion for pensioners, for people who actively need to be facilitated into our community. You would have thought that they would have invested the $31 billion tax cuts in something like that. But before you run away with that idea, we also have to remember that the coalition promised $36 billion. I think it was, in tax cuts, so they were not exactly thinking of investing in the pensioners’ futures and pensioners’ pay rise at that time during the federal election, were they? Who were the only people talking about it then? It was the Greens who have been talking about this for over a year.

The Greens will be moving and have circulated amendments to include in the pay rise for pensioners disability pensioners and carers, because these people are also struggling. It should be noted that disability pensioners did not get the bonus payment. They are getting extra utility payments the same as age pensioners but they did not get a bonus payment, so they are struggling as well. Again I have had a large number of emails to my office outlining the difficulties that people on disability pensions face. So we are moving to increase the base rate for single disability pensioners as well, of whom there are 464,230 in this country, as we understand it from the latest figures. We will also be moving to increase the base rate for single carers, of whom I understand there are 51,304 in this country on the latest figures. We believe this will relieve a small part of the burden that these people face. But $30 a week is a very important fillip to help them
start meeting the cost of living and start addressing what we believe is a decent quality of life.

I have not heard one person in this place say that we should not be aiming for a decent quality of life for people who are struggling to make ends meet. We need to remember that many of the people we are talking about are in the lowest part of the social wellbeing index, particularly carers. They are consistently in the lowest stratum for the social wellbeing index because of the stresses that they face caring for their loved ones but also because of their lack of income. They are struggling to make ends meet as well as trying to care for their loved ones, as are those on disability pensions struggling to deal with their disability, struggling to make ends meet and also struggling to pay for their equipment and for their accommodation. More often than not they cannot get adequate accommodation, adequate support for finding a job or adequate support to stay in a job. Again, you could not say that these people are very high up on the wellbeing index. They are struggling to make ends meet on pensions that have not been significantly increased or indexed to meet the cost of living.

One hopes that the government will see reason and see that this increase is the least they can do to help people who have been struggling for years to try and make ends meet and who have now reached crunch point. It has come to the point where they will come out and they will voice their concerns. As I said earlier, these are a generation of people who have not wanted to tell others of their hardships and have not wanted to complain. So it says a lot that they are now having to come out and complain and lobby so hard for what is a very modest increase, when you consider the costs of living that they are bearing, the above normal increase in the cost of living that they are facing and the fact that they have not had a significant real increase for many years.

We support, and in fact the Greens initiated this campaign in this place, a $30 a week increase for pensioners, but we will be moving an amendment to ensure that this increase covers those receiving the single disability pension and those receiving the single carers pension. We commend our amendments to the Senate.

Senator MILNE (Tasmania) (4.01 pm)—I rise today to support an increase in pensions of $30 a week. I will start by reflecting on who the pensioners we are talking about are. This is the most generous generation of Australians being treated in a miserly way by one of the most self-serving generations of Australians. Let’s go back. These are the frail aged, who were born in the 1920s, post the First World War. They lived through, in their youth, the Great Depression and then they saw service again in their families in the Second World War. Our most recent pensioners, who reached the age of 65 recently, were born towards the end of the Second World War.

These were people who did not have the money to go off to university in most cases. Yet did they complain when we decided that it was important to put the next generation of young people through university? No, they did not; they encouraged that to happen. These were not a generation of people who had a government put aside money for them for their superannuation for their retirement years. These were people who were brought up in hard times, served this country twice through two world wars and lived through the Depression, as I said.

In the case of women in particular, they were entering the workforce, if they indeed ever did enter the paid workforce, at a time when it was customary in Australia not to employ married women. Many people in this
parliament will recall that women did not get equal pay in Australia until the seventies. So there were women who, for example, trained to be teachers or nurses and who went to go back to work and of course were not able to because people did not employ married women at that time. Equally, across most of Australia women were encouraged to be at home, to be the homemakers, and there was no idea of paid maternity leave, paternity leave or any of that. It was expected that women in that generation would manage the household and help to bring up the children. They paid their taxes as PAYE earners for most of their lives for the most part.

Now, in return, what do they get from this nation, which has never had such a great surplus and such wealth as we have now? They get a generation of politicians—and I am going to talk about the Howard years—who say that they want to cut the corporate tax rate so that it is as low as possible to maximise company profits as greatly as possible. There are CEOs retiring from companies on a handshake of $33 million, more than most of these people or anyone they knew earned in their entire lives. We are seeing a generation which says, ‘We need to cut taxes for the highest level of income earners,’ and this occurred throughout the Howard years and was kept on by the Rudd government in this year’s budget—$31 billion worth of tax cuts, a large number of those to the rich.

The Greens were the only people in this parliament to say we should not have such a great surplus and cut taxes for the rich and we should be using that tax money to invest in infrastructure, to improve pensions and to improve the lot of health and education in this country. But of course that did not get up; that did not suit the mood. All we saw during the Howard years was the base rate of the age pension get left behind in terms of average weekly ordinary time earnings or the consumer price index—indeed, any way you wish to look at it the pension got left behind.

I would like to reiterate the point that my colleague Senator Siewert just mentioned that it is women who are living longer. It is in many cases frail and aged women who are then left as widows to try and manage a household where previously there were two pensions coming in, including the married couple pension, and where one, often the wife, is left to manage with exactly the same fixed costs as previously but only the single pension on which to manage. It is because they cannot manage that many of them go prematurely into aged care. That is a downward spiral for many people because it is an emotional wrench that often leads to physical difficulties and emotional stress, which then lead to the downward spiral for many of our older women.

These are also the women who for a large part of their lives did not manage the books in the family—often it was their husbands who managed all the income side of things. Many of them are left with a history of never having gotten their driver’s licence, for example. It is time, as a nation, to actually put some thought into what this generation we are talking about gave of their lives and their health—their health during the wars and the Depression and their commitment to building this country. Now they are frail and aged and do not have superannuation. They did not have the same opportunities that they sacrificed a great deal for so that we could have those opportunities. Then we turn around and say to them: ‘Oh well, we don’t think we can afford it. We can actually put it off and look at it through the Henry tax review and we will maybe review it next year and you might get something in next year’s May budget, if you are lucky.’

We are running a $22 billion surplus and we are talking about no more than $1 billion,
from what I understand from the figures, that would go into supporting an increase of this kind for single age pensioners and for people on disability pensions. Running a budget surplus of $22 billion, if we cannot put $1 billion towards helping people who are living in poverty, whose self-respect and dignity is being undermined by the fact that they cannot manage no matter how hard they try, then it does not say much about this country—it does not say much about us being a caring country, a compassionate country. It does not say anything about our sense of justice. If ever you wanted to talk about social justice in this parliament, this is a social justice issue. Around the world people are looking at this issue of intergenerational equity. We see intergenerational equity as what we might pass on to our children. But I would also like to think about intergenerational equity in terms of how we look after our aged community, because that is also about how we see fairness and how we see justice and how we try to reduce the gap between the rich and the poor.

We have pensioners in Australia who are going to bed early in the evening because they cannot afford heating; people not eating fresh fruit and vegetables to maintain their health, because it is too expensive; and people who are reducing the amount that they eat in order that they can give their families something for Christmas. This is the reality of the people we are talking about. Can you imagine the stress on an older person who has prided themselves throughout their lives on developing and keeping family bonds getting to the point where they feel like they cannot extend any generosity to their families in the seasons of Christmas or Easter and also who then feel like they have become charity cases? There is a lot to this. It is not just about the money in terms of the $30—and, frankly, $30 is going to go nowhere, but it is a start—it is not just about goods; it is about dignity and it is about fairness and it is about justice.

While I am on that I also want to address this issue of equity in climate change, because we know that under an emissions trading system power prices are going to go up and we know that, because of the underlying increase in the price of oil, petrol is going to go up. The people who have fixed costs and no capacity to increase their income in most cases are these pensioners that we are talking about here. We should be looking at what the Greens have put forward: we need to go out and retrofit the nation’s homes to give people full insulation, solar hot water and permanently reduce their energy costs.

I am aware that, under Prime Minister Howard, instead of introducing an increase in the pension he gave a cheque for a utilities allowance, which worked out to about $8 per pensioner per week. So it was nothing like the $30 that we are talking about now. But, if on top of a rise in the pension we went out and put solar hot water systems on the nation’s houses and started to put them out on the houses of the most vulnerable first, we would make a permanent saving. One-third of people’s power bills is hot water. So to actually take away that cost for people would be a tremendous contribution to them. But if we put in full insulation, then it would also take the edge off what they are going to have to try to do to keep themselves warm or keep themselves cool. Who are the most vulnerable when Australia experiences extreme heat waves? It is the young and the old. We have already seen an increase in the number of deaths due to heat exhaustion as a result of climbing temperatures, and that is going to continue.

We have a situation where we do not have adequate public transport so that people who can no longer drive can move around in Australia’s cities. So we need to do a whole
package of things. This should not just be seen as, ‘Oh well, we’ll try and give them $30 and then forget about it.’ We need to actually think about this constructively, because if we retrofitted the nation’s houses with solar hot water and full insulation, we would be creating a huge number of jobs. We would be rebuilding the manufacturing sector in Australia, because you would need to build plants to roll out the solar hot water technology on a scale unprecedented in Australia. I note today with great pleasure that we have the ACTU coming out with several of the NGOs and agreeing that what Australia should do to embrace the green revolution and to deal with climate change is to retrofit the nation’s 7.4 million homes, as the Greens have been suggesting.

So this can be a win-win situation all round. We can actually do something to make life more comfortable and cheaper, and start with the most vulnerable first, and at the same time create job opportunities and boost our manufacturing sector. So I think this debate is important. It is something that the Greens brought on here in the Senate last year. I note that when we put this motion last year it was not supported by the coalition. I heard earlier Senator Barnett from Tasmania talking about how worried he is about pensioners in Launceston. Well, he was not worried about pensioners in Launceston last year when he voted down the motion to increase the pension nor apparently when he was supporting the tax cuts for the rich but no increase of the pension for the poor. However, I am glad that that has changed and I am glad that this parliament seems to have had an insight into just how difficult it is and that the opposition will be supporting an increase in the pension to Australia’s most vulnerable, particularly those single age pensioners and our disability pensioners.

We should also be increasing what carers get paid around this country. There are so many vulnerable people, and it is hard to believe, in a country with the wealth that we have, that we cannot be more generous. I find that a matter of justice, as I said. It defies the Australian tradition of the fair go. It is almost, in my view, a lack of respect and appreciation for what this generation of Australians have done for this country so that we can be the free country that we are. Because a number of these pensioners, having also given war service, have suffered physical ailments and mental problems as a result of that war service—and their families have suffered in the course of trying to cope with that as well. So I would like this parliament to reflect on the idea that the people who have been most generous to us through the sacrifices they have made are the people to whom we as a parliament have been the meanest. Let us hope that this changes as a result of this move initiated by the Greens, campaigned for by the Greens, now supported by the coalition—and hopefully supported by the government. At last we might see this beginning. It should only be a beginning because an increase of $30 a week is a long way behind where it needs to go.

**Senator COONAN** (New South Wales) (4.17 pm)—I am very pleased to sum up the debate on the coalition’s Urgent Relief for Single Age Pensioners Bill 2008. I think what is clear from the contributions that we have heard in the Senate today is that there is not much room for dispute that Australia’s single age pensioners are finding it virtually impossible to live on the basic pension of $273.40 per week as indexed. I think what is clear from the contributions that we have heard in the Senate today is that there is not much room for dispute that Australia’s single age pensioners are finding it virtually impossible to live on the basic pension of $273.40 per week as indexed. I think it is also a fair summation to say that everyone agrees that $30 a week, whilst not in itself a panacea, would certainly give a helping hand to some of the most vulnerable pensioners that this country needs to make provision for.

I just want to say at the outset that it was interesting to hear the comments of Senator Xenophon from South Australia, who agreed...
with the coalition that it is clear that there is a great deal of urgency and concern in the community about the issue of pension increases and how pensioners are doing it tough. I thank the senator for his thoughtful contribution to the debate. Similarly, there was Senator Fielding, with his opening comments that pensioners are doing it tough and that for the Senate to delay or wait further to have a debate on the pension would be sending pensioners the wrong message. So I thank also Senator Fielding for his thoughtful contribution.

I have listened very carefully to what the Greens have had to say. If you strip away some of the criticisms, I do think it is very important to point out that there appears to be a fundamental failure to recognise that there was a Senate inquiry into the cost-of-living pressures for older Australians, which reported in March this year. So I do not think it is fair to say that we have not had a Senate committee inquiry into this bill. There has been a very extensive one. It is certain that the report called on the government to listen to older Australians’ concerns. When it comes to Senator Evans’s contribution, it was very interesting because he made a number of complaints about the coalition but really did not address with any particularity what it is that the government is going to do as a matter of urgency to help the most needy and vulnerable pensioners. Instead we had a fairly longwinded discussion about how there was need for serious thought, balance and all of the usual things that Labor are saying these days as they conduct committee after committee—but we never see any action for it.

I think it is also fair to say that what is extraordinary, when we are having this debate about whether the most vulnerable Australians should be receiving an additional payment of $30 a week, is the spectacle today of the globetrotting Prime Minister off to New York, leaving in his wake this serious, unresolved problem of justice for single age pensioners. I think it is also fair to say that the government’s contempt for pensioners is clear. (Quorum formed)

I was talking about the PM jetting off to New York, leaving in his wake this serious unresolved problem. It does seem that, while he has a plan for the UN, he does not have a plan at all for Australia’s pensioners. The government’s contempt, I think, for pensioners is shown by the procession of ministers—shall I say a conga line of senior government ministers, to quote an expression of a former Labor leader—who have solemnly assured us that they could not live on the single pension. Indeed, this is a serious failure of leadership when you have the Prime Minister, the Treasurer and other senior ministers who say that they cannot live on the single pension and admit that there is a problem but have comprehensively failed to address it. What sort of government is it that actually admits there is a problem but does absolutely nothing to address an urgent need?

It is difficult, I think, to believe that the government is sincere. I would not level that at Senator Evans—he is a sincere man—but he came in here feigning some concern. He, of course, sat at the cabinet table and accused me and other senators on this side of sitting around the cabinet table looking at this, but when the Rudd government considered an 83-page report by the Department of Families, Housing, Community Services and Indigenous Affairs and an 11-page Treasury report in April this year, it somehow or other could not quite bring itself to give the plight of pensioners a proper consideration in the budget. I think it is patently clear that the government is intent on ignoring pensioners and the plight that they face.

There is a report in the Sunday Tasmanian that, no doubt, would not have escaped Sena-
tor Brown’s notice, where a lifetime member of the Labor Party asked for pensioners to be given a fair go. She appealed directly to the Prime Minister, and she said that he ‘all but ignored’ her. The chairman of the Australian Catholic Social Justice Council, Bishop Christopher Saunders, in response to a question on ABC Radio on 17 September about the urgent plight of pensioners and whether the government should act now, said:

It seems to me that, if someone is at your door and they’re in dire straits and they need help, it is better to help them there and then rather than say, ‘Listen, come back next week when I’ve had time to write a letter about it’.

Senator Crossin—Come back in 10 years!

Senator COONAN—It seems to me to be urgent. Of course, we have had a report—although from the interjections opposite I am not quite sure whether or not it is a correct report—in the *Australian Financial Review* that, in fact, government backbenchers are getting increasingly concerned about the government’s failure to act to do anything for pensioners and have endorsed the push for extra financial assistance to aged pensioners.

Before I go on, Senator Evans also complained about the number of questions, which focused on pensions, that were asked of him in his capacity as the minister. That prompted me, over the time I was out of the chamber—which was only a few minutes—to look at how many questions Mr Rudd asked on pensions in question time when he was Leader of the Opposition. The grand total of that is two. I also looked at how many questions the opposition spokesperson on seniors, Ms Macklin, the member for Jagajaga, asked on pensions in question time. That was none. Compare this with the performance in the House of Mr Abbott, the member for Warringah, in just nine months of opposition, when he raised the issue of seniors with the government eight times in question time. This sort of counting of questions, I think, may not go all that far but certainly does answer the claim made by Senator Evans that, somehow or other, this indicates either interest or lack of interest; the coalition wins hands down.

Various speakers have attempted to accuse the coalition of failing to act to assist pensioners when we were in government. I utterly reject this claim, and I want to come to the various things that we did when we were in government. It is quite an interesting list. First of all, the decision taken by the coalition government in 1997 to link the age pension to growing incomes—25 per cent of male total average weekly earnings—rather than the cost-of-living increases, the CPI, means that pensioners now directly share in the benefits of a stronger economy and in the significant increases in wages since the coalition came into government. In 1997—this was a terribly important step—the coalition government legislated that the age pension be set to at least 25 per cent of male total average weekly earnings or increased by the CPI, whichever was the greater, and the coalition government increased pensions at two per cent a year above the rate of inflation. It was our government, of course, that introduced the utilities allowance to assist pensioners with the cost of utilities such as gas and electricity. The first payment was made in March 2005. Of course, to further encourage workforce participation—which I assume everyone in this chamber would support—the coalition government increased the amount of the age pension that a part-rate pensioner can receive above the income-test-free area by reducing the pension income test withdrawal rate from 50c in the dollar to 40c in July 2000. We also passed legislation to halve the assets test taper rate. From 20 September 2007, pensions are only reduced by $1.50 instead of the previous $3 per fortnight for each $1,000 worth of assets above the
allowable assets limit. These achievements, of course, meant that we had consistently addressed these issues and had a very strong record in government.

Moreover, what is important, since we lost office, is the rise in the cost of living. The overall cost of living has increased by 4.5 per cent in the 12 months to June 2008. The last opportunity we had to do anything was in the last coalition budget; the setting of that budget is now close to two years ago. It is interesting that the overall cost of living has increased by 4.5 per cent in the 12 months to June 2008. Since the election of the Rudd government, I am sorry to say, the cost of milk has increased by 3.6 per cent; the cost of jam, honey and other spreads has increased by 3.62 per cent; and the cost of fuel has increased by 14.5 per cent. What all that tells us is that it is incumbent on the Labor government to address these increased cost-of-living pressures that have become manifest, increasingly so since they took office.

The increase in cost-of-living pressures makes the need for immediate relief even more compelling than at the end of 2007—with the last coalition budget in May of that year. During 2007 the then Prime Minister went around Australia promising to do something about the cost-of-living pressures. He led pensioners to believe he would do something about the cost of petrol and the cost of groceries. But, less than a year since the Rudd Labor government came to office, we are seeing the skyrocketing prices that I have detailed. Mr Rudd went to the election promising to ease the cost of living, but Australians are in fact worse off today than they were under the coalition government. If the Rudd government were serious about helping out people on pensions, they could fix it right now.

I want to deal with a couple of ill-founded criticisms that have been made in the course of this debate that may be based simply on not understanding what the bill does or not understanding its factual basis. The first is that Senator Evans suggested that this bill would add to the various pressures on the pension of the income tested rate. However, it is clear from an express provision in the bill that the bill will isolate the additional $30 per week from the income tested rate. The additional $30 per week is not added on for the rate used under the income test, and it is not used for other purposes—for example, setting the daily care fee in a nursing home. I think it is important to make that point.

The second criticism, also made by Senator Evans—and it has been a bit of a mantra for the government since they have had to come to terms with the fact that this coalition does not stand for increase taxes, particularly increased taxes that will be inefficient and for which we said the government had no mandate at the time of the election—was that the government, in effect, cannot afford to make this provision, this additional $30 payment for single age pensioners, and the coalition should not be seeking it, on fiscal grounds. What this ignores is that, due to the careful fiscal management of the former Howard government, the Rudd government has inherited a massive surplus of some $94.4 billion over five years, with this year a surplus of $21.5 billion. The government, if it chose, could certainly reorder its priorities and responsibly allow this relief to single age pensioners now.

It will not affect the outcomes of either the Hamer review or the Henry review. There are certainly no budgetary constraints on making this immediate additional $30-per-week payment to affected pensioners—and we are calling upon the government to do so because this is a matter that deserves urgent consideration. As they have acknowledged that none of the higher echelon of the government—ministers, from the Prime Minister
down—could live on what we are asking pensioners to live on, it requires urgent attention. The government cannot wait a couple of years—until the Harmer review wends its way to making its report and then the Henry review gets around to it—before, hopefully, making some provision in the 2010 budget.

In my view, Australians expect any competent government sitting on a large, inherited surplus to be able to walk and chew gum. They should be able to provide for pensioners. That is part of the brief when you are in government; you have to look after those who need to be looked after in circumstances where that need is demonstrably clear.

Finally, I want to deal with the suggestion that there are a lot of other pension recipients and classes of pension recipients who should be included. In answer to that, we acknowledge that there is always more that can be done but there does need to be a first step. I do understand and, to some degree, sympathise with the senators who have raised their desire to include in the coalition’s bill other categories of pensioners in addition to single age pensioners, the 928,834 pension recipients to whom this benefit is directed. But, at this stage, the coalition’s point of view is that we have to take the first step—and I do believe it is in the right direction—to assist the Australians who are the most vulnerable. We do recognise that there is a need for more support for carers and people with disabilities. This call for an increase in the single age pension is a step towards addressing the immediate needs of some of the most vulnerable people in our society, given that age pensioners are not eligible for some of the extra benefits that, for example, disability support pensioners currently receive. It is, I think, critical to understand that the single age pension, compared to OECD rates, has been relatively low. This increase would bring them to slightly above the OECD average when compared to the couple age pension.

The total of 928,834 pensioners includes 857,229 single age pensioners, 700 widow B pensioners and 70,907 single age service pensioners. It will provide a $30-per-week boost as an additional payment that is on top the income tested rate of the base pension. So the coalition calls on the government to expedite further consideration of the needs of all pensioners—let us not leave anyone out in what we are asking the government to do—who simply cannot wait until 2010 for a comprehensive and thorough response to their needs.

The government in my view needs to address the needs of close to one million Australians who the Prime Minister can help with this particular bill that supports single age pensioners. I believe they should do just that. It is, I believe, a national disgrace to have to admit that there is a problem as basic as meeting the essential needs of Australia’s most vulnerable aged people. The government must not dither and hide behind reviews any more while the most vulnerable are living under unbearable financial stress. This is not a matter for a committee and it is not a matter for a delay; it is a matter for leadership. I commend the bill to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—The question is that the second reading amendment moved by Senator Fielding be agreed to.

Question negatived.

Original question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.39 pm)—Senator Stiwer has, on behalf of the Greens, important amendments to extend the...
reach of this bill to include both disability pensioners and carers. We will speak to those as they come along.

I want to remark again on the commitment of the opposition to this process today, with one speaker out of the 37 being committed to a speech in the second reading debate. Reflect upon that as against the situation last Thursday where there were 37 senators listed to speak in opposition to the luxury car tax legislation. So on the one hand when the luxury car tax is being debated all 37 members of the opposition are up to fight against this tax being raised on people who can afford the most expensive cars, which are largely imported into the country, but when it comes to single pensioners getting a $30-a-week increase they can provide only one speaker.

I note that Senator Xenophon said, ‘Well, they have tied their support to the mast for this legislation,’ and indeed it is their legislation now. But it is hollow legislation from hollow people when you see only one speaker—not even another minister and not even those new shadow ministers who are responsible for portfolios like disabilities and carers has been in the chamber for the duration of this debate today. It is not just careless; one has to be concerned that this opposition, which did nothing to improve the lot of pensioners over 12 budgets, is now taking pensioners for granted. That is a greater insult still.

The legislation that we have here will hopefully pass this place and will, as we know, be stalled in the House of Representatives. It is unlikely, I think, looking at the numbers, to get up for debate in the other place. But we do want to put legitimate pressure onto the government. When the government sees an opposition that does not back up legislation but is simply moving it so that it can say in the public arena, ‘We have moved it for pensioners,’ the government gets the wrong signal—that is, that this does not count because it will blow over.

Let me state that the Greens are extremely serious about the need to get pensioners out of the pitiful situation monetarily that serial governments have left them in. And we will continue to put pressure on this government. But it is an enormous pity that the opposition did not come in here fighting today. It did not come in here with serried ranks in argument for this legislation. Instead of that it left it to a couple of minutes for an introductory assessment of the legislation by the minister and then a sum-up at the end. Therein is the strategy failing to put the pressure on government that is required if we are going to see pensioners get the minimum $30 increase in a lead-up to bigger increases in the next budget, which they will require if they are going to be helped just a wee bit.

In today’s Advocate newspaper, which is a newspaper from Burnie in Tasmania, I read about a pensioner at Zeehan, on the west coast, where they have done away with the local service station—it is a mining boom town—and you have to use a card to get petrol because there is no person there. The service has gone but the station remains. To get a card you have to have $300 for the month to get petrol. This pensioner is saying, ‘I do not have $300, therefore I cannot get a card, therefore I cannot get petrol and therefore I cannot move.’ Her only option, after 25 years in the town, is to leave the town.

That is a failure of private enterprise, if you ask me, on the one hand to simply remove service from the town and say, ‘We’ll provide service to the mining industry,’ which has been doing extraordinary well, in the main, but, on the other hand, to forget the long-term citizens of the place. It is totally unfair and it is unjust that that pensioner should have to move from her home town to
find some place somewhere else simply because she cannot afford a petrol card. But that is the lack of choice that is left to our elderly citizens, who, as Senator Milne was just outlining, have put so much of their lives into making sure that we are all doing very well, thank you very much.

That said, it is important to deal sensibly with these amendments and to expect that the government will take them seriously. Having seen the failure of the opposition’s strategy here today, I do ask the government to take this seriously. Let’s see the government have this debate in the House of Representatives—a debate that has been failed by the opposition here in the Senate today. Let’s make it a serious debate, let’s give it the gravitas that it genuinely deserves and let’s take it to the next stage and ensure that we get a commitment from government to give this rise of $30 to single pensioners that we set out at the beginning to achieve.

Senator Fielding has moved amendments to expand that increase across the board. That has been the position of the Greens all the way down the line. However, let me state very clearly here: we homed in on the $30 increase for single pensioners as an achievable goal on the road to getting not just a $30 increase but closer to a $100 increase for pensioners across the board by next year’s budget. It is easy to come in here, once that strategy has been put forward in this legislation, and continue to extend it. It is simply extending this measure to where the Greens began in the first place. We will support those amendments, but I put the challenge to Senator Fielding as I put it very clearly to the opposition—and except for talking about the surplus we got no response—how are you going to fund this pension increase? To fund this pension increase, the Greens took a courageous stand in the Senate to vote against the tax cuts for people on more than $75,000 a year. Not one other senator supported that move earlier in the year—not one other senator.

If there is going to be a serious call for the government to find and spend this money, that question to Senator Fielding—who is planning to extend these measures, thereby catching up with Greens policy from the outset—has to be answered by Senator Fielding. That question to the opposition has to be answered by the opposition. Saying that the surplus is there is one thing; it is incumbent upon the opposition to indicate what should be taken from the surplus and from where it should be taken.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.49 pm)—I will just speak generally. There are amendments by Family First. It was a little sad that no other voices voted yes on the amendment moved by Family First in the second reading debate.

Senator Bob Brown—Mr Temporary Chairman, I rise on a point of order. Just to prevent Senator Fielding from misrepresenting the Greens, we supported that amendment.

The TEMPORARY CHAIRMAN (Senator Forshaw)—There is no point of order, Senator Brown.

Senator Bob Brown interjecting—

The TEMPORARY CHAIRMAN—Excuse me. If you are going to address the chair, you will rise from your seat. There is no point of order.

Senator Bob Brown—Mr Temporary Chairman, on a point of order, I ask that the Greens support for that amendment be recorded.

The TEMPORARY CHAIRMAN—It is on the record now, Senator Brown.

Senator FIELDING—I think that the whole idea of a pension increase that suggests that people on a couples pension are
not worthy of an increase is mistaken. When you think about it, they are all doing it very tough. When you hear stories of people with skin problems and feeling weak and unsteady on their legs—people who obviously are not eating correctly—you wonder where our priorities lie. These are stories that have been in the papers. There are pensioners even having to borrow money to get medical help and then not knowing how to pay it back. We are seeing these stories of real-life pensioners every day. ‘There have been weeks when all I have eaten is rice,’ and, ‘Living off toast and baked beans is common for pensioners.’ These are some of the stories that we hear. These are real-life stories. ‘Mince and sausages are a luxury you have to put off and do without.’ These are the sorts of stories that you are hearing.

When you hear these stories, certainly the urgency is there for single pensioners, but it is also there for people on disability support pensions, carers payments and wives pensions and for couples on the age pension. It just seems sad that we cannot use this urgency today to cover all those people on pensions who are doing it really tough. That is why Family First will later be moving amendments to apply these changes across the board to those 3.4 million Australians on a pension. The coalition’s bill provides for an urgent increase of $30 a week for those on a single pension and some others, but that is only one million pensioners. There are 3.4 million pensioners in Australia, so 2.4 million will miss out. Family First thinks that is not fair and will continue to campaign for a fair go for all those people on pensions.

Senator SIEWERT (Western Australia) (4.52 pm)—I move Greens amendment (1) on sheet 5595:

(1) Schedule 1, page 4 (after line 24), after item 2, insert:

2A Section 117
Omit “A person’s disability support pension rate”, substitute “Subject to section 117A, a person’s disability support pension rate”.

2B After section 117
Insert:

117A Increased pension rate for disability support pensioners
(1) If:

(a) a person is qualified for the disability support pension under this Part; and

(b) the disability support pension is payable to that person under this Part; and

(c) the person is not a member of a couple;

then, for the purpose of making payments under Division 4 of Part 3 of the Social Security (Administration) Act 1991, the person’s disability support pension rate is worked out by adding an amount equivalent to $30 per week to the person’s disability support pension rate calculated under section 117.

(2) To avoid doubt, the disability support pension rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.

This amendment will enable the provisions in the bill to apply to a person who receives the single disability support pension. According to my figures, there are 464,230 of these people in Australia. As I articulated in my speech on the second reading, these pensioners are also doing it exceedingly tough; in fact, these pensioners are doing it even tougher than people on the single aged pension because they in fact did not receive the
bonus. I sent a letter to the government asking why, and I am still seeking a response from the government as to why they did not receive a bonus. They did receive the utility payments, and I acknowledge that.

However, it was not until I asked a question in estimates that we managed to get people on the disability pension the utility payment for internet services through their mobile phone. Some disability pensioners are doing it so tough that they cannot even afford a computer, let alone the internet. One of my constituents was using his mobile phone for his internet connection, and was told that he could not get the payments that disability pensioners are getting for utilities for an internet connection through a mobile phone. However, subsequent to me asking questions in estimates, that person is now getting the payment for accessing the internet through his mobile phone.

This to me highlighted the fact that people cannot even participate in what the broader community participates in every day. We accept being able to access the internet as an everyday occurrence, and yet people on the pension cannot afford that. People on a single aged pension cannot afford that; people on the disability pension cannot afford that; people on the carers allowance cannot afford that. We would not consider this a luxury. This is an everyday activity that we take for granted.

I was listening to something on the radio this morning about how important the internet had been for someone suffering from rheumatoid arthritis. It enabled that young lady to be able to communicate, understand her illness better and participate in the community. She was unable to participate physically or by meeting people. But she was able to connect through the internet. That is just one example.

These people cannot afford to participate in the community. They cannot make ends meet. Disability pensioners are doing it just as tough; in fact, as I articulated, they are doing it slightly tougher in fact than single age pensioners, because they do not have some of the additional support that single age pensioners have got—which is not saying a lot, when single age pensioners, as we know and as has been articulated extensively in this chamber today, cannot make ends meet.

We believe that, in fairness, disability support pensioners should also receive the $30 a week increase that single age pensioners would get if this bill were passed. We believe that people on the single disability pension should be able to access that $30 a week increase as well. That would make a significant difference for them in meeting their everyday expenses.

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (4.56 pm)—I indicate that the government will not be supporting the amendment. That is consistent with our position of not supporting the bill. We are not going to attempt to make the bill better or more logical than it is, because fundamentally it is flawed. As we have indicated previously, we do not think that it is constitutionally competent for the Senate to pass the bill. Our advice is that, it being an appropriation bill, it cannot be initiated in the Senate.

When you look at what is happening here, we have a Dutch auction going on. The Liberal Party indicated that they were going to introduce a bill relating to single pensioners. After severe criticism from carers, those with a disability and veterans, they threw in veterans. They upped their bid and said, ‘We’ll put the veterans in.’ Now we have the Greens coming in and putting quite rightly the criticism that carers and disability pensioners have been ignored and saying, ‘We’ll up the
ante and throw in carers and disability support pensioners.’ Then we have Senator Fielding saying, ‘Double or nothing; I’ll make sure that those who are in partnered relationships also get the increase.’

It is really easy. We have just spent about $5 billion without thinking about it. All care, no responsibility. It is easy to up one another in the rhetorical sense by outbidding one another in the chamber. But is all a nonsense. Sure, we all acknowledge that pensioners are doing it tough. We all accept that we have to try and do more to support them and to keep their standard of living at a reasonable benchmark. That is why this government invested in the budget more than $5 billion in—

Senator Siewert—Tax cuts.

Senator CHRIS EVANS—We certainly invested in average families, Senator Siewert. But for single age pensioners we also invested $900 over their base pension, the equivalent of $17 a week. We accept that they are still doing it tough and it did not solve all their problems, but we made a $900-per-annum, $17-a-week investment. We undertook to fundamentally review the basis of the pension and to examine what else we could do to assist those pensioners with their living expenses to ensure that they have a standard of living that we think is appropriate in a wealthy, civilised democracy like ours. We have committed to do that work; we are doing that work. We have also committed, as you are trying to do, to look after the circumstances of carers and people on the DSP. The question about people living in couples also has to be addressed.

You cannot do that by having a Dutch auction in the Senate in one day. Quite frankly, it is a nonsense. It does not do the Senate any credit. We all know that much more serious and fundamental work has to occur. The government has to lead that and bring serious legislation before the parliament. Let us debate the real issues then. But this is, quite frankly, a bit of a farce.

Progress reported.

Sitting suspended from 5.00 pm to 7.30 pm

GOVERNOR-GENERAL’S SPEECH
Address-in-Reply

The ACTING DEPUTY PRESIDENT (Senator Barnett)—I inform the Senate that this afternoon, accompanied by honourable senators, the President presented to the Governor-General the address-in-reply to Her Excellency’s predecessor’s speech, on the occasion of the opening of Parliament, which was agreed to on 15 September 2008. The Governor-General indicated that she would be pleased to convey the address-in-reply to Her Majesty the Queen.

URGENT RELIEF FOR SINGLE AGE PENSIONERS BILL 2008

In Committee
Consideration resumed.

The TEMPORARY CHAIRMAN—We are dealing with Greens amendment (1) on sheet 5595.

Senator COONAN (New South Wales) (7.31 pm)—I want to make a few remarks in conclusion. The amendment seeks to add a number of other category recipients to the bill. For the sake of clarity I should say that the number of pensioners who will be affected by the provisions of this bill is 928,834 Australians at a cost of $1.45 million. Senator Evans, in his comments, waxed lyrical about how difficult it was to make provision of the kind that we seek to make in this bill. But, clearly, it is a bit rich for Labor to complain about people who are being provided for in this bill when the Labor Party is not providing for anyone at all. It is very clear, and the chamber should be clear, that the Labor Party does not propose to provide
for anyone at all. The coalition propose to provide for single age pensioners and, in my concluding remarks in the second reading debate, I set out the rationale for that. Having said that, it is very clear that we as the coalition agree that all pensioners deserve to have consideration of their position. We regard the additional payment of $30 per week as very much a first step to relieve single age pensioners, who are amongst the most vulnerable that we currently have of the people who are in receipt of pensions.

I also outlined the rationale in relation to not at this point including disability support pensioners. That is not to say that they are not worthy, but most of them are entitled to some additional payment. We think that, in all the circumstances, we need to have a comprehensive response, and we will continue to develop a comprehensive response to include all pensioners. We will keep this under urgent review, and we will continue to have regard to the ongoing needs of all categories of pension. I think there ought to be an acknowledgement in this chamber that all pensioners are certainly worthy of further attention by the government. We will be stepping into the breach as we develop a comprehensive policy after this, we think, very important first step to provide some relief for the most needy of single age pensioners.

I think it is also important to say, although it is in the explanatory memorandum, that the coalition takes a different view from the government as to the constitutional validity of the private bill. We have the view that there is no barrier to the introduction of this bill. Section 53 of the Constitution provides in part that:

Proposed laws appropriating revenue or moneys, or imposing taxation, shall not originate in the Senate.

But a bill to increase the rate of age pensions does not need to contain an appropriation of money—and this is where we part company with the government. Age pensions and other entitlements under the Social Security Act 1991 are automatically paid under a special appropriation of indefinite duration and unlimited amount in section 242 of the Social Security Administration Act 1999. Any increase in pensions is paid for under that appropriation without any necessity for any further appropriation to be made.

If the government has advice that differs and takes issue with what we say is the constitutional validity of being able to introduce this bill under the standing appropriation of the parliament, please bring it forward. Is there any reason why the rest of us should not be enlightened on any difficulty of a legal kind that the government contends? If there is such advice, let us see it and let us have a discussion about it. That is my advice. Aided and abetted by my own background, I must say that it seems to me to be a sound basis upon which this bill has been introduced.

With those remarks I have to say that we will not be supporting the amendment, even though we do think that the sentiment behind it has merit. We think that the sensible way to proceed is to at least pick the category which we have. It has a rationale to it, and it will assist the most vulnerable and most needy of single age pensioners.

Question negatived.

Senator SIEWERT (Western Australia) (7.37 pm)—I move Greens amendment (1) on sheet 5596:

(1) Schedule 1, page 4 (after line 24), after item 2, insert:

2A Section 210

Omit “A person’s carer payment”, substitute “Subject to section 211, a person’s carer payment rate”.

Senator SIEWERT

(7.37 pm)
After section 210

Insert:

211 Increased carer payment rate

(1) If:

(a) a person is qualified for the carer payment under this Part; and
(b) the carer payment is payable to that person under this Part; and
(c) the person is not a member of a couple;

then, for the purpose of making payments under Division 4 of Part 3 of the Social Security (Administration) Act 1991, the person’s carer payment rate is worked out by adding an amount equivalent to $30 per week to the person’s carer payment rate calculated under section 210.

(2) To avoid doubt, the carer payment rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.

This relates to the same provisions to provide for carers so that the carers pension is increased. Carers, as I alluded to in my speech in the second reading debate, are one of the lowest groups on the social wellbeing index for a number of reasons—low income from the carers payment, the stress of their workload and the lack of support they are getting.

I would like to point out that the Greens campaigned very strongly during the federal election on the increase in payments for carers. Carers have been calling for a doubling of their payments because of the work they do and the stresses they face. They do not get superannuation for the caring that they do, so not only are they affected by low income during their actual caring years but in their own older age they are actually very poorly provided for because they have not been in the workforce because of their caring duties. They have also been calling for some time for those areas around superannuation to be looked at.

Several months ago there was deep concern that they were not going to get the bonus payment that they had been receiving for the last couple of years and there was acknowledgement that they had been having trouble making ends meet. I have already spoken about the drawbacks of the one-off payments and the fact that they are not meeting pensioners’ needs. Carers provide a critical role in our community.

The Access Economics report of several years ago—the figures will be much higher now—showed that they provide $31 billion worth of care. If those carers were not providing that, the government would be expected to provide it. So purely from an economic rationalist point of view—and I for one am not arguing that we should be taking an economic rationalist point of view—these people are providing that level of care. I would argue very strongly that it is in fact higher than that now because, as I said, that was several years ago. They also pointed out that during that time the cost of living had been going up. So not only are they providing that level of care but they are even less able to make ends meet than they were a couple of years ago.

These people are carrying a tremendous workload but their own health is suffering. Not only are they in the lowest wellbeing index but they are starting to suffer from depression and illnesses themselves because of the workload that they are carrying and because they are finding it extremely difficult to make ends meet. We believe that carers should also have their pension increased by $30, which is nowhere near what they have been campaigning for. But at least it is a start until a more appropriate approach is taken to setting the base rates for all of the pensions as we have been discussing today.
Senator FIELDING (Victoria—Leader of the Family First Party) (7.41 pm)—Family First support the increase for carers and obviously support the increase for those on a disability pension. Of course there would be no surprise that we also support an increase for those on a couple pension and those 2.4 million other people on a pension that will miss out if all the amendments do not go through. As I said, we will be supporting it because we actually believe that all the people on a pension, the 3.4 million Australians on a pension, deserve an increase. They are all doing it tough and they need an increase.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (7.41 pm)—I reiterate my remarks about how the government does not believe this is the right process to address quite serious issues that affect pensioners, carers and people on a disability support pension. I think the inadequacies of the proposals have been shown up in the debate. The opposition are struggling to add a group and explain why other groups are not in et cetera, despite the fact that we all know they are linked in the social security system and the payment of the age pension actually impacts on a range of other payments including those we are discussing. I think it just shows that trying to do this sort of policy on the run does not work. It also is the case that they have not costed their propositions. We are spending billions of dollars by upping each other on who should get paid what. It is just a ludicrous situation.

I want to remind people that in the budget the government did for the first time pay the utilities allowance to carers. It had not been done before. We paid the utilities allowance, not at the old rate that had been paid under the Howard government but at the rate of $500. Not only did we increase the utilities allowance but carers for the first time got that payment. So the $500 they did not get before was paid to carers. They got the increase in the telephone allowance and, of course, they got the bonuses which had been paid previously over the last three or four years under the Howard government.

There was the carer payment bonus of $1,000 and those on the carer allowance got the $600 bonus. So most people who were carer payment recipients got a total bonus of $1,600. So there were measures in the budget. The myth has been created that pensioners and carers got nothing out of the budget when quite the reverse is true. As I said, a carer payment recipient might have got $1,600 in bonuses plus the $500 utility allowance for the first time. That is $2,100 on top of their normal carer payment. Not all of them got that but, as I say, those in receipt of the carer payment did receive the $1,000 bonus, the $600 bonus and the $500 utility allowance.

Some of those carers received $2,100 in addition to the base rate pension. That has to be factored into these discussions. People can shake their heads, but $2,100 is the equivalent of about $40 a week. So if you were to wipe out the bonuses for those people and pass the measure brought here, they would be on less. That is how crazy this debate is. Some of those people were to receive $2,100 in extra payments this year, and you are suggesting that they get $30 a week, which will give them less than they got out of the bonuses system. This is the exact point that the government is trying to make. There is fundamental reform needed in pension payments. There are complex issues at stake, including the payment system that grew up under the previous government and that was continued by us. We have said that that is not the way to go; you need longer term structural reform. The Howard government kept on doing the one-off pension bonuses on the basis that they thought the politics of it were pretty good. It was not reform; it was just,
We think we’ve got some spare cash so we’ll give you the bonus.’ They never put it in the out years; they never put it in the forward budget estimates. They created expectations it would continue, but they never budgeted for it. So when we came to government last year, there was no money in the budget for the bonuses we paid this year. They had not been budgeted for.

We say those bonuses have been useful—they have assisted pensioners, they have assisted carers—but they do not fundamentally reform the pension payment system. If you like, they paper over the cracks. We are saying we need to have a reform process, a major review of these issues, to see if we cannot find a better way than just using the payment of bonuses to paper over the cracks. We made a down payment in our first budget. We had very little time to prepare for a budget following taking office in early December. In terms of preparation for the May budget, we basically had to have it nailed down by very early in the New Year. So we made a down payment on these pensioners and carers by saying that we accepted they were struggling to make ends meet and that the standard of living that they were experiencing was perhaps not what they should enjoy, and we extended the bonus payments and added to them and said we would do a major review and that we would have that in time for the framing of the next year’s budget. We put on the record our bona fides and, as I say, the pensioners got the increase in the utilities allowance and they got the bonus, so they received $900 extra over and above the base rate pension and they have obviously received indexation. I am not saying that makes them well-off, that it is enough or that it is all you can do or all you should do, but it is the reality. When people talk about it, they have to realise that that $900 is worth about 17 bucks a week, so it is a major component of their income.

But in terms of the carer payment, as I say, here we are, saying on the run, ‘Let’s throw carers in,’ and Family First saying, ‘Let’s double it for couples,’ et cetera. But I point out to the chamber that in the budget, for the first time, those on carer payments got the $500 utilities allowance, so they were 500 bucks better off than they were the previous year. They got the increased telephone allowance and we continued the payments that have been made on a one-off basis—without being budgeted for in the out years by the previous government—of $1,000 for carer payment and $600 for carer allowance, so that some of the people in receipt of carer payments actually would have received $2,100 in bonuses. On my quick maths, that is about $40 a week. So factor that into the debate. Let us have a realistic debate rather than this one-upmanship of trying to outbid each other as if there are simple solutions to these things. There are enormous structural issues involved with changing the basis on which we calculate pensions. There are flow-on effects for tapers and for the tax rates when people work, and it impacts on the family payment system in some cases. This is complex stuff and those of us who have done this legislation in the past and have participated in the detail of legislative debates know how complex it is. Senator Harradine had a good grip on it and a couple of others in the chamber have. I have soldiered on manfully on a few occasions without pretending I have got across all of the detail. It is complex stuff. It is not quite as bad as the Migration Act, but it is getting there.

Let us pause and take a deep breath and admit that this is not the sort of stuff you do on the run. And, while the politics are easy, the public policy is hard. What we have set ourselves is the task of doing that hard public policy work. As I have indicated before, we will not be supporting the amendment and we will not be supporting the bill. By making
this contribution, I just point out that people ought to factor in those payments that were made this year that were in excess of the base pension or base carer payments. In fact, if you remove the bonuses and pass the resolution, they would be worse off. That is how crazy this is.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (7.50 pm)—I think Senator Evans is in a difficult position of defending the indefensible. He is a good-hearted man, and he is putting the best spin that can be put on this from a government that has done very little at all for the lowest income people in Australia. He is talking about an extra $40 a week through $2,000 of extra payments; if you put them all together, those carers end up on less than $17,000 in income for the whole year. Let us try to live on less than $300 a week; let us try to make ends meet on that. We are having this debate because we are all getting feedback from people who, even with the bonuses—and they are very meagre bonuses—that the good leader is talking about—cannot make ends meet, and it has not kept their heads above water as rentals, in particular, spiral.

Let me just home in on that one. There are 100,000 single pension getters in this country who, when you take out the more than 40 per cent they are paying on rentals, are living on $20 a day. That is $20 for food, for shelter—they are getting their rental paid, but you know how the costs add up when you have to look after a household—for clothing, for transport, for health, for hopefully being able to buy things occasionally for children and grandchildren, to be able to maybe go to bingo or to the pictures and get some entertainment, for heating and for the rest of it. They cannot make ends meet, and that is the problem. We submit that the $30 that is in this bill, which is aimed at single pension income earners, is not enough. We have never said this is going to fix things up but it gives some relief to the neediest. That is why we are a little concerned that Senator Fielding is now spreading it right across the field, because it loses sight of the fact that we did home in on the neediest. But we will support that because, right from the outset, the Greens have said that we believe that pensioners across the board should be getting a minimum $30 increase and it should be closer to $100.

I go back to this starting point, which is to do with economic responsibility. There has to be a budget brought in each year, but this year’s budget could not afford the $2.2 billion that these measures the Greens are bringing forward now would cost to alleviate the misery of more than a million pensioners and carers. It could not find that $2.2 billion per annum but it could find $31 billion for the tax cuts across the board, and not least the $5 billion-plus for high-income earners’ tax cuts. Treasury did not have any trouble working out how much that cost. The Prime Minister and the Treasurer had no trouble bringing that in in the budget. But I remind the Senate that there was no committee inquiry into that; there was no going out and asking high-income earners if they could make ends meet and how they were getting along. They were simply given this gift.

It is specious for the government to say, ‘Oh, it was too difficult to work out how we could give a small increase to people at the other end of the income scale which would have been a fraction of that which we found for high-income earners.’ It just does not figure. Good on the opposition for bringing this bill in because we are having this debate now and it is continuing to say to the government, ‘Well, you might ignore this bill and you might have the numbers in the House of Representatives to block it, but this is part of a pressure based on need which is not going to go away—not this week, not...
next week, not next month—until the government acts on it. It is just a fair go that it act on it early and not put it off until the last minute in the run to next year’s budget, because a lot of unnecessary hardship will be created in the meantime. I am not talking about hardship for the government but hardship for the pensioners, who deserve this lift.

Senator Evans has said that this is a Dutch auction. No, it is not. This is a serious move to try to get some money to the people who are in need. To say it is a Dutch auction is simply to say, ‘Ultimately none of them do and we are not prepared to draw a line anywhere. Because it is complicated and there are various claimants, we won’t give anything to anybody until sometime next year after we’ve had more prolonged inquiries to see how we can juggle that into the budget.’ I remind the Senate again that in the last two budgets more than $50 billion over four years has been given in tax cuts. That makes the amounts of money we are looking at here look very tiny indeed; they are a small percentage of that sum. The government would have been very wise and very fair had it simply said, ‘If we are not responding to this bill, we will give this rise in the coming short period of time, and here is how we are going to do it.’ After all, let us not forget that the Prime Minister, the Treasurer, the Minister for Finance and Deregulation and the Deputy Prime Minister have all said they could not live on the very amounts that the leader of the government in here was saying had been boosted—the boosted amounts that he was saying a while ago had gone to pensioners.

This amendment is important. The bill is more important. But the need for the government to act as a result of these deliberations tonight, and hopefully the passage of this bill, is all the more urgent if it says it cannot agree to this here and now. Do not leave it till next year; get on with this and make an announcement in the coming weeks.

It is just not fair to those thousands of people out there who cannot make ends meet. It is easy for us to talk about their getting an extra $40 here and an extra $17 there, and they will get an extra $30 through this measure if we were to pass it. The fact is that it is very easy to overlook the straitened circumstances they are in, and we should not do that.

Senator COONAN (New South Wales) (7.59 pm)—I will very briefly address this amendment. Senator Evans referred to this being a ludicrous situation. I do not really know whether he meant to say that. I think that Senator Evans is a well-intentioned person and I would not want to attribute to him a meaning he did not intend. But he said that this was a ludicrous situation. It is clear to me that the 928,834 needy Australians who will be the immediate beneficiaries of this additional payment of $30 per week over and above the base pension certainly do not think that $30 a week is ludicrous. I am fortified in my view that people do not think it is ludicrous by a press release today from National Seniors Australia. National Seniors Australia Chief Executive Michael O’Neill said he welcomed the bill, despite claims about the speed with which it was introduced et cetera. He said:

Older Australians are pleased that by introducing this bill into the Senate the pension issue is finally firmly on the national agenda.

He continued:

Single age pensioners living off $281 a week are struggling to keep their heads above water as food, fuel, rental and medical costs soar. And I would refer to the costs that have gone through the roof since the Rudd Labor government came into office, unaddressed by the government despite promises that they would keep a lid on cost of living increases. Mr O’Neill went on to say:
For these older Australians, an immediate increase represents more than a steak, rather than baked beans, for dinner.

He also said:

It’s very much a matter of social inclusion and providing older Australians with the support they need to live their old age productively.

Then he went on to say:

Despite declaring the single age pension inadequate only two weeks ago, Treasurer Wayne Swan has clearly stated a pension increase will only be made in the context of next year’s budget.

I actually agree with Senator Brown on this issue—how can that be fair? We can only assume the government are actually competent enough to manage a budget and to provide for the most needy Australians—let’s make that assumption. So how can it be that they cannot even look at it or make any commitment without not one but two reviews? This government is addicted to reviews—absolutely paralysed by inaction and incapable of making a decision about anything. We have the Prime Minister absent, swanning around the world stage, and we have needy Australians here looking to the Rudd Labor government to do something about the plight they are in. And what sort of answer do we get tonight from Senator Evans, who is trying to defend the indefensible?

‘It’s complex. We need to look at it and do it properly.’ That is no excuse, I say.

We have to—all of us, collectively—do something for pensioners before two years elapse, which is what we are looking at. The Harmer review will not report until February next year. It is said that that will then feed into the Henry review on tax. So we are looking at something like 2010 before we actually get some serious comprehensive attention to the plight of pensioners. I do not think that is good enough. Quite frankly, it is a very good thing that we are debating the need to do something for these needy Australians and holding the government to account.

We can talk here for hours on end rhetorically about who did what and when, but the point is that the government are now the Rudd Labor government. They are in the driving seat. They are sitting on an inherited surplus of $21.5 billion this year and $94-odd billion over the next five years. If they cannot manage their priorities to do something for the most needy Australians, they should not be in government.

It is important in the circumstances that we address this bill and that we bring this debate to a sensible conclusion. I say to Senator Evans, who is the minister representing Ms Macklin and who obviously has some input, history, capacity and ability: make a real change, get on with it, do it, do not talk about it, do not blame anyone else and just fix it.

The TEMPORARY CHAIRMAN
(Senator Barnett)—The question is that Greens amendment (1) on sheet of 5596 be agreed to.

Question negatived.

Senator FIELDING (Victoria—Leader of the Family First Party) (8.04 pm)—We have probably already had the debate on the matter of my proposed amendments in the broader debate about making sure not only that singles and veterans are covered but also that those couples on pensions are covered. Those couples are also worthy of an increase. As I said before, there are 2.4 million pensioners that will not get anything out of this bill. They are the ones that are going to be forgotten. I seek leave to move the amendments standing in my name together.

Leave granted.

Senator FIELDING—I move Family First amendments (1) to (8) on sheet 5594:
(1) Schedule 1, item 2, page 3 (line 11), omit “single”.
(2) Schedule 1, item 2, page 3 (line 15), omit paragraph (1)(c).
2A Section 117
Omit “A person’s disability support pension rate”, substitute “Subject to section 117A, a person’s disability support pension rate”.

2B After section 117
Insert:

117A Increased pension rate for disability support pensioners
(1) If:
(a) a person is qualified for the disability support pension under this Part; and
(b) the disability support pension is payable to that person under this Part;
then, for the purpose of making payments under Division 4 of Part 3 of the Social Security (Administration) Act 1991, the person’s disability support pension rate is worked out by adding an amount equivalent to $30 per week to the person’s disability support pension rate calculated under section 117.

(2) To avoid doubt, the disability support pension rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.

2E Section 210
Omit “A person’s carer payment”, substitute “Subject to section 211, a person’s carer payment rate”.

2F After section 210
Insert:

211 Increased carer payment rate
(1) If:
(a) a person is qualified for the carer payment under this Part; and
(b) the carer payment is payable to that person under this Part;
then, for the purpose of making payments under Division 4 of Part 3 of the Social Security (Administration) Act 1991, the person’s carer payment rate is worked out by adding an amount equivalent to $30 per week to the person’s carer payment rate calculated under section 210.

(2) To avoid doubt, the carer payment rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.
(4) Schedule 1, page 4 (after line 15), after item 4, insert:

4A Section 503
Omit “A person’s parenting payment rate”, substitute “Subject to section 503AAA, a person’s parenting payment rate”.

4B After section 503
Insert:

503AAA Increased parenting payment

(1) If:
(a) a person is qualified for the parenting payment under this Part; and
(b) the parenting payment is payable to that person under this Part;
then, for the purpose of making payments under Division 4 of Part 3 of the Social Security (Administration) Act 1991, the person’s parenting payment rate is worked out by adding an amount equivalent to $30 per week to the person’s parenting payment rate calculated under section 503.

(2) To avoid doubt, the parenting payment rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.

(5) Schedule 1, page 4 (before line 17), before item 5, insert:

4C Subsection 22(3)
Omit “$338.94”, substitute “$398.94”.

4D Subsection 22(4)
Omit “$510.40”, substitute “$570.40”.

4E Subsection 23(4)
Omit $619.80”, substitute “$679.80”.

4F Subsection 24(4)
Omit “$919.40”, substitute “$979.40”.

4G Paragraph 30(1)(a)
Omit “$312.10”, substitute “$372.10”.

(6) Schedule 1, item 6, page 4 (line 22), omit “single”.

(7) Schedule 1, item 6, page 4 (line 28), omit paragraph (1)(c).

(8) Schedule 1, page 5 (after line 4), at the end of the Schedule, add:

7 Section 37N
Omit “A veteran’s invalidity service pension rate”, substitute “Subject to section 37P, a veteran’s invalidity service pension rate”.

8 After section 37N
Insert:

37P Increased pension rate for invalidity service pensioners

(1) If:
(a) a veteran is qualified for the invalidity service pension under this Part; and
(b) the invalidity service pension is payable to that veteran under this Part;
then, for the purpose of making payments under Part VIII, the veteran’s invalidity service pension rate is worked out by adding an amount equivalent to $30 per week to the veteran’s invalidity service pension rate calculated under section 37N.

(2) To avoid doubt, the invalidity service pension rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.

9 Section 38N
Omit “A person’s partner service pension rate”, substitute “Subject to section 38P, a person’s partner service pension rate”.

10 After section 38N
Insert:

38P Increased pension rate for partner service pensioners

(1) If:
(a) a person is qualified for the partner service pension under this Part; and
the partner service pension is payable to that person under this Part; then, for the purpose of making payments under Part VIII, the person’s partner service pension rate is worked out by adding an amount equivalent to $30 per week to the person’s partner service pension rate calculated under section 38N.

(2) To avoid doubt, the partner service pension rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.

11 Section 45S

Omit “The rate of income support supplement”, substitute “Subject to section 45SA, the rate of income support supplement”.

12 After section 45

Insert:

45SA Increased income support supplement

(1) If:

(a) a person is qualified for the income support supplement under this Part; and

(b) the income support supplement is payable to that person under this Part;

then, for the purpose of making payments under Part VIII the person’s income support supplement rate is worked out by adding an amount equivalent to $30 per week to the person’s income support supplement rate calculated under section 503.

(2) To avoid doubt, the income support supplement rate determined under this section is not to be used for any other purpose, including for the calculation of any other benefit or fee under this Act or any other Act.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (8.05 pm)—I ask Senator Fielding and Family First what this measure would cost.

Senator FIELDING (Victoria—Leader of the Family First Party) (8.05 pm)—I appreciate the question. We costed it last year and it was about $3.5 billion in total for the whole lot—for all the 3.4 million pensioners, rather than just looking at one million pensioners. It has always been costed.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (8.06 pm)—I indicate to be helpful that the latest information I have to hand is that Senator Fielding is roughly right about the number of pensioners affected by the original Liberal proposition. About 913,000 pensioners would receive some benefit from the proposition. That leaves about 2.7 million people on pensions, carer payments et cetera with nothing as a result of that measure. So it is clear that it is not a fundamental reform; it is a political stunt that goes no way to addressing the vast majority of people who rely on these payments. It is providing something, yes, for 900,000 people if it were to be implemented, but it is doing nothing for the other 2.7 million. That makes the point that this is knee-jerk and populist but does not fundamentally deal with the serious public policy issues.

While I know that people argue that some groups are more in need than others—and I am sure that that is true, although the arguments about which groups and why and whether or not they are the people in public housing, in the private rental market et cetera, are not convincing—the reality is that those same base rates are being used to set all of these benefits and they flow from the original age pension. What we are doing is breaking from that long established position.

If the Liberal proposition were to be sup-
ported, they would be saying ‘Well, these 900,000 will get the benefit, and for the other 2.7 million, tough luck, even though that linkage was accepted for the 12 years we were in government. Suddenly, after nine months in opposition, we have decided that’s not relevant anymore; it’s not important anymore; there’s no basis for that anymore. We’ve had this conversion on the road to Damascus.’ Senator Coonan says to me: ‘Well, just fix it. In nine months fix what we failed to deal with in 12 years. It’s all your problem; don’t blame us. You fix it.’

Well, that is easily said. It is much more complex than that. Anyway, we have had those debates. I do not want to labour the point, but we are talking about another 2.7 million people who would get nothing. The Greens are trying to pick up some of those concerns by adding in some other categories, and Senator Fielding, if you like, has doubled it by adding those who are in a partnership—double or nothing. On the latest information I have, if we support the package as amended by the Greens and Senator Fielding, I think we are adding something in the order of $5.7 billion a year. It is $5.7 billion a year, just like that, because they think it is a good idea, without any understanding of the ramifications throughout the aged-care sector, the housing sector, the tapers and the family payments allowance impacts—the thousand impacts that come from a change in the base rate of the pension. ‘Oh, and by the way, it is going to cost $5.7 billion a year.’ That is the sort of depth of consideration that has been given to these issues. ‘Throw in cuts to petrol prices and all those other things; it is very easy.’ Unfortunately the opposition has adopted this position of being all care and no responsibility very quickly. As someone who did 11 hard years in opposition, I say it does not work like that. You do not actually get any credit for it. You actually have to—

**Senator Coonan**—You are certainly not going to get any credit for the way you are going.

**Senator Chris Evans**—Well, you have to act like an alternative government. I know that when you first go into opposition there is a lot of hurt and a lot of pain, but the cheap, populist stuff does not work. I am sure you will come to that realisation, as we did. You might think it is winning you a few cheers now, but people understand it is complex and expensive and I think they know that the government is committed to trying to do something for those living on pension payments. But it is complex and requires a lot of good public policy work. The government is committed to doing that, having made a down payment, if you like, in its first budget. It was a reasonable question by Senator Brown—and I think Senator Fielding’s response was pretty close to the mark—but we are talking about billions of dollars being done on the run in the Senate chamber. The Liberal proposition was more modest, I suspect, because they knew how expensive this stuff was and they could not defend it publicly, because on the basis of their arguments you would give the payment to everybody. That is the logic of their position. There has been no argument advanced as to why one would exclude carers on the DSP et cetera. The opposition found that when they scrambled to throw vets in. They could not withstand the public pressure about ignoring the veterans, but they were still happy to ignore the carers and those on DSP.

Anyway, we all make our own choices, but the bottom line is that those figures do need to be on the table on the understanding that the costs involved are enormous. As I pointed out earlier, nobody has indicated yet whether they intend to discontinue the bonuses as part of their propositions. I have not heard anyone address that—I might have missed it. I would be interested, of course, in
whether or not the bonuses are to continue under the Liberal proposition. If that is the case, I have got their costings wrong. I would be interested if, before this debate ends, Senator Coonan could inform the Senate as to whether or not the Liberal Party intend for the bonuses to be paid next year as well as the utilities allowance—whether these are on top of those payments or replacing those repayments, because obviously that will add enormously to the costs. As I said, with the carers, we have a $1,000 bonus and a $600 bonus. Some people get both. With the utilities allowance, some people will receive bonuses of up to $2,100, which actually puts them better off than with this proposition. I think it is important that we put that stuff on the table—that we hear from the minors and from the Liberal Party opposition whether or not their propositions are in addition to the bonuses and whether or not they have costed the bonuses into the figures they claim. We are just throwing cash around here willy-nilly. I think it is important that we understand what people are actually advocating here. In any event, as I say, on the basis of Senator Fielding extending with his amendments the increases to about 3,690,000 people, which is way above the figure of 900,000 who would benefit from the original Liberal proposition, we end up with a figure, on a rough calculation, of about $5.7 billion per annum or $22 billion to $23 billion over the budget cycle.

Senator COONAN (New South Wales) (8.14 pm)—I must say that an enduring image of the lead-up to the last budget was the sight of Labor scrambling to pay the carers bonus and the bonus for seniors, having refused to make any commitment, and then scrambling to provide the list of so-called benefits that I think Senator Evans has now outlined on four or five occasions. It does not actually get any better no matter how many times you say it; it is still meagre. What the coalition is proposing is to provide, in addition to those bonuses, a $30 payment. One of the things that appears to be confusing Minister Macklin—and she has infected Senator Evans with her lack of understanding—is the idea that this payment will actually affect the base rate. That is not the intention and the bill expressly provides that it will not have that effect. It is a payment in addition to the base rate pension. Ms Macklin was quoted as saying something which I think is quite extraordinary and which I will share with the chamber. She said:

Many of them are pleading with us to not just increase the base rate of the pension, because if that happens they will see a lot of the increase in the pension go in increased rents. She obviously has not read the bill, because quite obviously the additional $30 per week is not added on for the rate used under the income test and is not used for other purposes—for example, like setting the daily care fee in a nursing home, which is currently 85 per cent of the single pension rate.

So, yes, it is complex, but rather than creating policy on the run we have actually thought this through and done it in such a way that this is calculated to actually give the intended recipient some benefit—rather than the endless empty rhetoric and promises we hear from the Labor Party. I must say I find it really peculiar logic that the Labor Party is engaged in in this debate—about the 928,834 people included in this measure—that, because not every pension recipient is included, those 928,834 people should miss out. That is quite extraordinary: to actually be advocating that if you do not have everybody in then nobody should get it. And then they are opposing an amendment of Senator Fielding because he wants to put them in. Go figure. You cannot have it every which way. This has to be a serious look at a rationale for looking after the most vulnerable, disadvantaged age pensioners. The rationale for
that is clear—that is not something that is difficult to talk about or difficult to justify. Nobody says that carers do not deserve some urgent attention, and I certainly think that the government should be looking at them before there are two reviews and a couple of years of water under the bridge.

Recently the Rudd government presented the states and territories with a proposal that would actually transfer all disability services to the states’ responsibility. The Rudd government has clearly washed its hands of the aged, carers and people with a disability—just as it is attempting to do through its proposal to transfer control of disability services over to the states and territories. All that carers have got from the Labor government is uncertainty. It refused to rule out cutting the carers bonus. Reluctantly, kicking and screaming, the Rudd government backed down under pressure from the coalition and from constituents. We are currently looking at a comprehensive policy that will cover all pension recipients and do it in such a way that the most vulnerable in our society, including carers and people with disability, are assisted.

The rationale for our current bill, however, is that there is, as Senator Evans quite rightly points out, a lot of different rates and benefits. I am very pleased to see this, but age pensioners are not eligible for some of the extra benefits that disability support pensioners receive for their particular circumstances. That does, of course, make them particularly vulnerable because they do not get some of the extra benefits, say, that a single at-home under-18-year-old gets if they have a disability—$295.10 a fortnight. A single independent under 18 gets $456 per fortnight. A single at home aged 18 to 20 gets a different rate. A single independent aged 18 to 20 gets a different rate again. None of these is applicable to the age pension. A member of a couple gets $456 per fortnight, but that is not applicable to the age pension. A member of a couple with disabilities gets a different benefit not applicable to the age pension.

So there are different benefits that are available to different pension recipients. That is in no way to say that, across the board, pension recipients do not need some urgent attention, but the rationale for this bill is very clear. It has been thought through. It is anything other than policy on the run. The coalition is deadly serious that this is a group of people who need help. They need it now, and the Labor government should get on with it and deliver it.

Senator CHRISS EVANS (Western Australia—Minister for Immigration and Citizenship) (8.20 pm)—I just want to be sure that I do not misrepresent Senator Coonan. I take it that, in response to my earlier comments, she has confirmed that the Liberal-National Party coalition are committing to a $30 increase in the rate of the base pension for all single age pensioners and veterans—and that that is to be on top of maintenance of the $500 annual utility allowance, the maintenance of the $500 bonus, and the maintenance of the $1,000 carer and $600 carer payment bonuses. I just want to be certain, when I do the costings of these policies, that that is what the Liberal opposition are committing to.

Senator COONAN (New South Wales) (8.21 pm)—I will answer that, because that is not what I said. What I said was that we
will be paying an additional $30 and that that is in addition to the pension; it is not part of the base rate of the pension. It is over and above the base rate pension. I am making absolutely no other commitment. The Rudd Labor government is in government, and it will be a matter for them as to what they do with any other arrangements and bonuses. We will, as part of looking at our overall comprehensive response, make our announcements about this in due course.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (8.22 pm)—I think it is important that I respond, because this is quite a revelation to me. Certainly Senator Coonan indicated earlier that the $30 would be additional to the bonuses. We now have the proposition that she will not guarantee the bonuses, so carers and others might be up to $40 a week worse off under the proposition she has just outlined, which I think will be of concern to those carers. But, if we take it that the average pensioner is currently receiving the $500 bonus and the $500 utility allowance, they are receiving $1,000 under the Rudd Labor government budget which the opposition spokesman will not guarantee—sorry, no longer the opposition spokesman; like former Minister Abbott, she seems not to want to retain an interest in these areas. It would seem to me that what the Liberal Party are now saying is that they are supporting a $30 a week increase for a small number of the pensioners—the 900,000 on the age and veterans affairs pensions—but are refusing to guarantee the equivalent of the $20-a-week rate that pensioners got from this government as a set of bonuses and through the payment of the utilities allowance. So, potentially, what we are hearing now is that the Liberal Party’s proposition is that we increase the base pension rate by $30 and take away the equivalent of $20 a week which we pay through the bonus system. Originally Senator Coonan indicated to the Senate that the $30-a-week pension increase was in addition to the payment of those allowances. In her last contribution Senator Coonan said that she could not guarantee that and that that was a question for review.

Senator Coonan—No, they’re already paid.

Senator CHRIS EVANS—No, it is about future policy, Senator Coonan.

Senator Coonan—That’s for you, not us.

Senator CHRIS EVANS—This is about how you suggest you would frame the budget. If it were about us, you would not be putting the bill up. You are attempting to set the social security policy of the nation.

Senator Coonan—No, I’m not. I’m trying to save people.

Senator CHRIS EVANS—You are trying to move a new bill. I think pensioners listening tonight would want to know: are you offering them $30 a week and taking $20 away, so that you are offering them $10 net, or are you offering them $30 plus the $20? On the basis of what you just said, you are offering them $30 minus the $20 that you are not going to guarantee—the $1,000 worth of bonuses they received this year under the Rudd Labor government. So I think it is important. I have not heard from the minors on this question either.

If you are going to parade around the place saying that you are going to be the saviour of pensioners by making these promises that you never actually delivered in government, I think we need to be clear: what is the alternative government saying? Are you saying that you are supporting a $30 increase in the pension rate for single pensioners and veterans but that you are not going to guarantee the bonuses, or are you guaranteeing the bonuses and saying that the $30 is in addition to those bonus payments? It is a fairly
simple question—it is something that we ought to know—but so far, Senator Coonan, you have given two different answers to the same question. I am sure pensioners and the Senate would like to know the answer.

Senator COONAN (New South Wales) (8.26 pm)—I am quite sure that Senator Evans’s confected confusion is not genuine, because what I have clearly said, and what this bill clearly provides, is that we are paying an additional $30 per week over and above the base indexed pension rate. It is not an increase to the pension rate; it is a $30 payment over and above it. I do not think that that is a difficult proposition. That is what the bill says. If Senator Evans has read the bill, it must be obvious.

Senator Chris Evans—Are you guaranteeing the bonuses or not?

Senator COONAN—Well, are you? This is a question for the Labor government. Are you going to guarantee the bonuses in future? You scrambled; you had no idea whether you were going to pay anything at all this year before the budget. When I was referring to ‘over and above’ with the bonuses, I was talking about what is already being paid. We have under review our policies—

Senator Chris Evans—Oh, you’re having a review.

Senator COONAN—No, we are not having a review. We are not having your review. We are having a good and serious look at how we can have a comprehensive response across the board for our pensioners. I doubt it would take us two whole reviews—the Harmer review and the Henry review. It is very interesting when you look at the Labor government: if they really want to slug the Australian public, they do not bother to wait for a review to get the luxury car tax slug onto Australians; that is in here before there is any review. So, if it suits the Labor government to slug Australians, they just put up taxes. But it certainly does not wash when it comes to the most needy Australians. We are saying, and have said very clearly, what we are doing. You are the government, and the question for you is: are you going to guarantee the bonuses into the future?

Senator SIEWERT (Western Australia) (8.28 pm)—I would like to put it on the record that, from a Greens perspective, this is on top of the bonuses. It is in addition to the bonuses.

The TEMPORARY CHAIRMAN (Senator Barnett)—The question is that amendments (1) to (8) on sheet 5594, moved by Senator Fielding, be agreed to.

Question negatived.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Senator COONAN (New South Wales) (8.29 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

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

Debate resumed from 18 September, on motion by Senator Sherry:

Senator BOSWELL (Queensland) (8.30 pm)—The Tax Laws Amendment (Luxury Car Tax) Bill 2008 is a very important bill for the National Party. It is one that I do not believe that the government or the Independents have really thought hard about—what it is going to achieve. Senator Fielding has moved amendments that would exclude farmers and tourism operators from the increased tax, but he has overlooked the fact that there are many, many other people in rural Australia who find four-wheel drives not a luxury but an absolute necessity when living out in remote areas. I suggest to you, Senator Fielding, that some of the people you may have forgotten are people in Aboriginal communities, who always use four-wheel drives. If you ever go to the communities, you will be met at the airport by a Toyota or a Nissan or another four-wheel drive.

Over the weekend I received a letter from the boating industry, saying:

Like farmers and tourist operators, boat manufacturers and distributors rely on the use of large four-wheel drives in the course of their day-to-day operations in order to tow boats in accordance with the law on towing ratios—e.g. a 3.5-tonne boat must be towed by a Toyota LandCruiser or a vehicle of equal power. These vehicles cost in excess of $57,000. There are 1500 boating industry association members across the nation who will be affected by the luxury car tax …

They go on to say:

There are 850,000 registered boats in Australia that are towable.

All these people are going to be hit by the increased sales tax. Then, if you look at the caravan industry, there are similar problems there. Four-wheel drive vehicles are absolutely essential to carrying on the business of caravan and boat distributors. So, although I appreciate the exemption amendment that Senator Fielding has moved, it is not only farmers and tourism operators. There are many, many other people in the western areas that have to have a four-wheel drive to actually live in those areas.

Some time ago, when the Labor Party was previously in power, the National Party experienced a series of car accidents involving its members. Unfortunately, the wives of two National Party members were killed in car accidents in the west: Bruce Cowan’s wife and Noel Hicks’s wife. Tim Fischer, the former Deputy Prime Minister, had a car accident in which two people were killed. John Anderson’s wife rolled a car seven times and was very fortunate to be able to get out with their children. The then Labor Party realised that if you were going to travel out west and do great distances on poor roads then it was essential to be in a car of some substance. That is why the then Labor Party, to their credit, offered people with vast electorates a four-wheel-drive vehicle. They did it not because they thought it would be flash for members of parliament to drive four-wheel drives but because it was absolutely essential that those members had the type of car that would give them some protection.

I say to the Labor Party: if it was good enough for members of parliament to have this allowance for four-wheel drives over $57,000 then why isn’t it for doctors, nurses, stock and station agents, contractors and wheat harvesters, for example, who all use four-wheel drives to travel vast distances? Why are they excluded? Why are they excluded from a safety measure? Those people do not use these cars because they want to be flash or just to have a four-wheel-drive vehicle; they use them because there is no other
way that they can safely travel such areas. So I cannot see why the Labor government, after making a declaration that some members of parliament needed four-wheel drives to get around their electorates, would exclude other people who need these four-wheel drives as much as those members of parliament.

There are so many people out there that do require these four-wheel drives for safety reasons—and we are going to exclude them with this bill. We are going to put a tax of 33 per cent on $57,000 cars. They are not flash cars, but once you have to add a bullbar and a few other extras to them they will come in at over $90,000. I just think it is essential that these people who live out in the western areas are not deprived of such vehicles. Their needs are as great as the farmers’; their needs are as great as the tourism industry’s.

For the life of me I cannot see why Senator Bob Brown cannot see that. I cannot see why he would persecute people in the western areas when he, in his amendments, has excluded Audis, Alfa Romeos, BMWs, Jaguars and Saabs. These are flash, expensive cars. They do not offer any protection for people who live in remote areas. How can the Greens, who are always appealing for pensioners and others who are in need, exclude Audis, Alfa Romeos, BMWs, Jaguars and Saabs? It sends out the absolute wrong message.

The Greens do not add the extra tax to those cars and yet they add a 33 per cent tax on the workhorse of Australia—the four-wheel drives used by people such as the kangaroo shooters, Aboriginal communities and other people out west who must have these cars. I suspect the Flying Doctor Service would have four-wheel drives—they certainly have four-wheel drives but I wonder if they too pay taxes on them. These are the people you are picking up. These are the needy people that you should be helping, not the BMW, Audi and Alfa Romeo drivers. I never see them out there. In towns like Longreach or Roma or west of that, Audis and BMWs are probably there but I do not recall ever seeing them. But lined up in the streets are the Nissan Patrols and the Toyotas—car after car—and they do not all belong to farmers or graziers. They belong to the people who live there, whether it be the local hardware store owner, the local stock and station agent or the butcher. They have got to have those cars. Why are we discriminating against those people? Why are the Greens discriminating against Aborigines, the Flying Doctor Service and the councils—although I do not think the councils pay tax, but I am not sure of that? All those people use those cars.

There is another reason why this increased tax should not be applied to the cars priced around $57,000. We read in the paper, time and time again, how the car industry in Australia is battling. It is being hit by cheap imports flooding into Australia. It has got to the stage now that the car industry is very, very shaky. And now we are going to increase the tax on 11,000—or 10 to 12 per cent—of the cars that are made in Australia. That will make them less competitive, it will make them harder to sell and it will cost jobs, particularly in the car industry. While we are losing jobs in the Australian car industry, we are giving a tick to the Alfa Romeos, the Audis, the Jaguars and the BMWs.

The Greens are not noted for their support for the big end of town. They say that they represent the people from the small end of town. I ask Senator Brown why he is protecting the big end of town—the millionaires who have $300,000 cars—when the people who make the Australian cars are holding on by their fingernails.
We are debating the 11,000 Australian-made cars that are going to have an increased tax on them. And I do not know why Senator Milne, who is also a battler for the smaller person, would support the millionaires with the Audis and Alfas. They drive cars worth $300,000, and you are not supporting them, Senator Milne. But you are not supporting the people who are making Australian cars, who are being hit very hard by imports. I fail to understand why this is the case.

The National Party, through Senator Williams, is going to move an amendment for cars over $90,000, which is about where the average Land Rover or Nissan Patrol, with a few add-ons such as bull bars and things like that, is priced. We are not trying to protect multimillion dollar cars. We will vote against this legislation, but we are not trying to protect the cars that are very expensive. We are saying to the Senate, ‘For goodness sake, we have a problem with the car industry in Australia.’ We need an Australian car industry and the last thing we need is an increased tax on the Australian car industry, which employs so many workers in Adelaide and Victoria, with a flow-on effect to the accessory and parts manufacturers. This is crazy stuff. I do not know why the Labor Party would have done it. On one hand they try to do some social engineering on the car industry by giving grants to Toyota for a hybrid car and on the other hand they are trying to pull the rug out from under the car industry. They are giving with one hand and taking away with the other.

The result of that is that they are depriving rural and regional Australia of its workhorse. No-one seems to realise that. Through you, Mr Acting Deputy President, I would like to know by what rationale Senator Brown can reduce the tax on the millionaire type car but ping the battlers in rural and regional Australia. If he has any explanation, I would be very glad to hear it.

**Senator Bob Brown**—Now?

**Senator BOSWELL**—You will have your chance after, Senator Brown. If you can turn that pig’s ear into a silk purse, I will be very surprised. If you cannot explain your way out of it, no-one can explain their way out of it.

**The ACTING DEPUTY PRESIDENT** (Senator Marshall)—Senator Boswell, please address your remarks through the chair.

**Senator BOSWELL**—I am being challenged, Mr Acting Deputy President.

**Senator Barnett**—Baited.

**Senator BOSWELL**—I am being baited and challenged. We all remember Senator George Campbell. He came down here breathing fire and brimstone—he was going to do everything. But he was not tough enough, as Senator Barnaby Joyce has said; he went soft. So they sent Senator Doug Cameron down, and wasn’t he going to play merry hell! Wasn’t he going to stir the Senate up! Wasn’t he going to come in here and protect the car workers! Well, he has been like a damp squib. He has not even raised his voice. I say to Senator Doug Cameron: the Senate will find you out. You cannot run; you cannot hide. In the end, the Senate finds you out—and it has not taken very long for the Senate to find Senator Doug Cameron out. I do not know whether he said anything in caucus; I do not know whether he stood up for the car industry, but he certainly has not stood up in this public place. He has been like a damp squib.

As Senator Joyce pointed out, Senator Cameron is on the Left. The Left do not get much of a say—they get a bit of a bone thrown at them on social issues, to do a bit of social engineering here and there. But the Right have command of all of the big issues. Senator Doug Cameron ought to think about
either changing his faction or standing up in the Senate.

I cannot understand this. To me it is just a no-brainer. The government made a decision 10 or 12 years ago—probably 13 years ago—that four-wheel drives were essential for members of parliament. Every member of parliament with a big electorate drives one, because he has to, whether he be Labor, National Party or Liberal. So, if it is good enough for members of parliament, why isn’t it good enough for every other citizen? If we say members of parliament have to have four-wheel drives because it is dangerous without one and people are being killed, what is the difference? Why should we be a different class from the rest of the people who live out in rural and regional Australia?

If Senator Brown can explain to me why the Audis and the big end of town—the $300,000 cars—should have a reduced amount of sales tax and the workhorses should get pinged, I would be very interested to hear about it. I am sure the people in rural and regional Australia—there are a few of them who vote out there; a few misguided teachers and so forth—Senator Bob Brown—This will put the taxes you’re defending into rural schools and hospitals. You’re not going to have the money for that.

Senator BOSWELL—We will look after the rural schools and hospitals. Just let us protect the people’s lives and their families’ lives and their kids’ lives when they are driving to school on these rough roads. You are depriving those people of safety and I find it very difficult to understand. I find it difficult to understand the Labor Party’s position on this social issue—or on the economic issue. This will destroy jobs in the car industry, which is doing it really tough at the moment.

Senator IAN MACDONALD (Queensland) (8.49 pm)—My colleagues have clearly explained why the Tax Laws Amendment (Luxury Car Tax) Bill 2008 should be thrown out. Senator Boswell has just very clearly argued all of the various reasons. So I will not repeat them. I am conscious that this is a budget bill and we want to get through the budget bills as quickly as possible. I am just going to make a very short contribution because, as I say, I know my colleagues have canvassed all of the issues.

I spoke when this bill was first before the chamber, on behalf of people in rural and regional Australia. I have just finished a 4,000-kilometre road trip through northwestern Queensland, up in the Gulf Country, out to Mount Isa and back through all the country towns to Townsville.

Senator Boswell—How many Audis did you see out there?

Senator IAN MACDONALD—Not many Audis; quite correct, Senator Boswell. I did see a hell of a lot of four-wheel drives. They are four-wheel drives with bullbars, spotlights and Shoo Roos. I should declare an interest: I drive a four-wheel drive with a bull bar, spotlights and a Shoo Roo which, I think, does not work.

Senator Barnett—Better get it fixed.

Senator IAN MACDONALD—I am not sure that they are as good as they are made out to be. But if you add the extras together, a fairly ordinary four-wheel drive can become expensive. The mums who drive their kids the 40 or 50 kilometres to the nearest school need all those sorts of things. Up in the north-west it gets pretty hot around summertime, and air conditioning is not a luxury; it is an essentiality—it is a necessity. But under the Labor Party’s envy legislation all of those things are said to constitute a luxury car.

There are amendments flying around. I am not sure that I quite understand them. I am
not sure whether they apply to the non-farm four-wheel drive that, as I said, I see a lot of mothers driving their children in—not just down to the train station or to the school half a kilometre away, as the lucky people in the cities do, but the 30, 40 or 50 kilometres a day to school and then picking them up in the afternoon and coming home at dusk, when the kangaroos are particularly bad. They are the sorts of people that will be impacted by this legislation. There are also the vets; the mechanics, who may have to drive 100 kilometres to get out to a farm to fix a tractor; the farming contractors; the shearers; and the helicopter pilots, so essential in the grazing industry these days, who have to get to their place of work in a four-wheel-drive vehicle—not a luxury vehicle but a four-wheel drive vehicle.

Up where I come from tourism is an enormously important industry. It is a bit difficult at the moment—there are real problems—but a lot of people in that industry make their living out of what, under this legislation, are luxury cars: the sorts of vehicles that international tourists expect will pick them up in Cairns and drive them the 80 kilometres up to Port Douglas. Those cars are also used by those who do adventure tourism, an essential part of the tourism experience in Northern Australia. They are the sorts of people that will be attacked by this legislation of envy by the Labor Party.

It is all done, as I understand it, in order to keep the budget in balance. For goodness sake, the Howard-Costello government left the incoming government a surplus of $22 billion. While the coalition, when it came into power, found that it had a $96 billion deficit to deal with, this government has inherited a $22 billion surplus. This legislation is supposed to maintain the surplus, but the surplus was already there. It was given to them through sound, wise economic management by Peter Costello, John Howard and Nick Minchin in days gone by. So the idea that this legislation, amended as it will be, will make much difference at all to the budget defies any logic. What it will do is put extra burdens onto those people who live in the areas remote from the capital cities. I know if you live in Sydney, Melbourne, Brisbane or Adelaide you do not really see much of what happens outside. But when you get out into these areas, the four-wheel drive is an essential means of conveyance: it is essential for the safety of all people who live in remote areas of the bush.

In concluding, because I do not want to hold up this debate—it is a budget measure, and I do want us to move forward with it—I plead to all those senators sitting opposite and on the cross-benches to spare a thought for people who live in remote Australia when dealing with legislation like this. This government—I do not think it is deliberate—does not have a lot of understanding or empathy with those who live in remote areas. I just ask all senators to consider that when thinking how they will vote on this legislation. I hope that, after considering those people, the impact on the industry and the little impact it will have on the overall budget surplus, others join with those on this side in voting this legislation down.

Senator BARNETT (Tasmania) (8.56 pm)—I would like to support my colleagues on this side of the Senate in opposing the luxury car tax and make a few short contributions, because most of the arguments have been put very well, including by Senator Macdonald and Senator Boswell, the two previous speakers. I want to highlight the concerns I have, particularly for small businesspeople in and around Tasmania. This so-called luxury car tax will put up the tax and will put up the costs, which will make it harder for small businesses to operate and do well. We have some very rugged and rural parts in areas of Tasmania such as the central
highlands, northern Midlands, west coast and east coast, where small businesspeople need four-wheel drive vehicles. I am thinking of the builders, tradesmen, electricians, plumbers, contractors and the like who operate in and around these rural and regional parts of Tasmania, and indeed in the cities and the towns of Tasmania. They are going to be under increased pressure as a result of this ridiculous proposal to increase the tax. You have the farmers and the farming communities who are going to be directly affected in an adverse way. Tourism has been mentioned. The tourism industry in Tasmania is particularly important not only in the capital cities but throughout the state. There is a whole range of people, and in particular small businesses, that are going to cop it in the neck.

Another contribution I wanted to make relates to the actual car dealers themselves who have not been referred to much during this debate. The Federal Chamber of Automotive Industries have put forward a lot of good information, including monthly figures on the number of vehicles sold in Australia and the like. The fact is that their members—and I am going to name the one that I know in Launceston, whom I have talked to about this: Bruce Stevenson Toyota—employ hard-working Launcestonians, hard-working Tasmanians. The tax will make it harder for them. It has ramifications across the board.

When this government wants to increase the tax, there are ramifications. As Senator Macdonald said, they have a $22 billion surplus. Why do they want to do it? Why do they want to increase this tax? As was noted in the Senate report brought down just last week, this tax would also be inflationary. These are the concerns that I have. It is not about BMWs, Porsches, Audis and those sorts of vehicles; this luxury car tax will hurt—and I am going to name it—the Toyota LandCruiser, the best-selling so-called luxury car. Other targeted vehicles include the Mitsubishi Pajero; the Nissan Patrol; the Chrysler Voyager; the Toyota Tarago, which is a people mover; and the Volkswagen Multivan. Those are a few, and most are working vehicles; they are family vehicles and hardly the choice of transport for the idle rich, which is exactly what this government is trying to paint the opposition into accepting. We will not accept that.

The tax will cost jobs; it will put up prices; and with the unemployment rate rising it could not come at a worse time. That is my contribution. I do not for one minute accept the government’s proposition. I stand with my colleague senators on this side of the chamber to oppose it wholeheartedly.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.00 pm)—I rise to speak on the Tax Laws Amendment (Luxury Car Tax) Bill 2008 and related bills. The government has agreed to Family First’s common-sense demands to exempt farmers and tourism operators from the increased car tax. Last fortnight Family First was concerned that the car tax would unfairly hit farmers and tourism operators. We have now been able to get that exemption for those people, and that makes a lot of sense. Family First has been able to successfully negotiate with the government, and the government has agreed to concessions worth $40 million over four years. Vehicles purchased by farmers and tourism operators are tools of trade. Some other businesses already get full exemptions for their vehicles from the car tax, so farmers and tourism operators should also not be slugged with the extra tax.
The amendments negotiated with the government provide refunds to farmers and tourism operators so they can claim back the extra eight per cent car tax from the Australian Taxation Office once they have purchased their four-wheel-drive vehicle. The amendments allow claims of up to $3,000 per year for primary producers and $3,000 per year for tourism operators. The tourism industry is heavily dependent on the eight-seater Toyota LandCruiser and similar four-wheel-drive vehicles. The extra tax would have unfairly hit small tourism operators in regional Australia as they need their four-wheel-drive vehicles. Farmers are also dependent on heavy-duty four-wheel-drive vehicles, like the LandCruiser, which offer reliability and safety in regional and remote areas, especially on poorly maintained roads. Family First has had a lot of emails and phone calls from farmers and tourism operators to support this initiative. The Australian Tourism Export Council pointed out:

... that the tourism industry basically runs on the eight-seater diesel LandCruiser.

The council also said:

The cost impact is hitting a range of small businesses in regional Australia such as four-wheel-drive tour operators in rural Australia.

The majority of tourism businesses in Australia are small family operated concerns. One regional tour operator made a special trip to my office in Melbourne a couple of weeks ago to tell my staff how important his four-wheel-drive was to his business. He does outback tourism and he said that he needs a reliable car to make sure he does not break down in the middle of nowhere; it is essential as a tool for his work. Another regional tour operator wrote to me saying how important his four-wheel-drive is to his business. He said:

We have exceptional working relationships with all the property owners, in South Australia, who have 4WD tracks on their properties. They have taken the decision to encourage tourism based on the drought and continuing poor returns from what was once their core business, farming.

All of us also tend to travel at least twice the average 14000 kms that city folk do and most of that is on dirt roads and/or over quite long distances.

The Victorian Farmers Federation President, Simon Ramsay, supports the amendments as common sense. He said:

... our industry there is a dependence on transport and obviously given the localities and isolated areas not only within the state of Victoria, but nationwide, is dependent on large robust vehicles ...

In Queensland AgForce Chief Executive, Brett de Hyer, said that four-wheel-drives are not a luxury item for farmers. He said:

Many farmers in Queensland (particularly in far western and northern areas) regularly travel hundreds of kilometres to their nearest town for essential supplies, health care and children’s schooling, and they need a vehicle that can handle those conditions—it is a necessity, not a luxury.

The South Australian Farmers Federation has also given its endorsement, with spokesman Peter White saying that he is happy with the changes ‘now that farmers are being looked after’. Last Wednesday I had an email from a farmer in Western Australia who said:

We are one of those farmers you were talking about. Farming in almost any area of the country is under siege. Right from the central midlands of Tasmania to here in the wheatbelt of WA markets, price squeeze, inputs, no infrastructure all take their toll. We do need a 4WD just for safe driving out here.

They are an essential item in our toolkit both on the farm to get about and to drive the vast distances we need to, to do any tasks at all.

Family First is not here to frustrate the government of the day, whether it is this one or the previous one. We are not elected to government but we are elected to vote and to look at issues on their merits. We have put forward constructive concerns to the gov-
ernment to take care of unintended consequences—I do not think they have ever set out to hit farmers and tourism operators—and that is what we have done. I urge all senators to back Family First’s amendments.

Question put:
That these bills be now read a second time.

The Senate divided. [9.10 pm]

(The President—Senator the Hon. JJ Hogg)

Ay es............. 33
Noes............. 31
Majority......... 2

AYES

Arbib, M.V.
Bishop, T.M.
Cameron, D.N.
Conroy, S.M.
Evans, C.V.
Feneley, D.
Forshaw, M.G.
Hanson-Young, S.C.
Hurley, A.
Ludlam, S.
Lundy, K.A.
McEwen, A. *
Milne, C.
Polley, H.
Siewert, R.
Sterle, G.
Xenophon, N.

Bilyk, C.L.
Brown, B.J.
Collins, J.
Crossin, P.M.
Farrell, D.E.
Fielding, S.
Furner, M.L.
Hogg, J.J.
Hutchins, S.P.
Ludwig, J.W.
Marshall, G.
McLucas, J.E.
Moore, C.
Pratt, L.C.
Stephens, U.
Wortley, D.

NOES

Abetz, E.
Bernardi, C.
Boswell, R.L.D.
Bushby, D.C.
Colbeck, R.
Eggleston, A.
Ferguson, A.B.
Fifield, M.P.
Humphries, G.
Joyce, B.
Macdonald, I.
McGauran, J.J.J.
Nash, P.
Ronaldson, M.

Adams, J.
Birmingham, S.
Boyce, S.
Cash, M.C.
Cormann, M.H.P.
Ellison, C.M.
Fierravanti-Wells, C.
Heffernan, W.
Johnston, D.
Kroger, H.
Mason, B.J.
Minchin, N.H.
Parry, S. *
Ryan, S.M.

Scullion, N.G.
Williams, J.R.

PAIRS

Brown, C.L.
Carr, K.J.
Faulkner, J.P.
O’Brien, K.W.K.
Sherry, N.J.
Wong, P.

Coonan, H.L.
Trood, R.B.
Fisher, M.J.
Payne, M.A.
Barnett, G.
Brandis, G.H.

* denotes teller

Question agreed to.

Bills read a second time.

In Committee

TAX LAWS AMENDMENT (LUXURY CAR TAX) BILL 2008

Bill—by leave—taken as a whole.

The CHAIRMAN—Order! We have four bills to consider. We will firstly consider the Tax Laws Amendment (Luxury Car Tax) Bill 2008. I draw to the attention of the committee that all of the bills in this package are classified under section 53 of the Constitution as bills imposing taxation for the purposes of proceedings in the Senate. As a result, all amendments to all of the bills must be moved in the form of requests.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (9.14 pm)—I table a supplementary explanatory memorandum and a revised supplementary explanatory memorandum relating to the government request for an amendment to be moved to this bill. The memoranda were circulated in the chamber on 17 and 22 September 2008 respectively.

Senator ABETZ (Tasmania) (9.17 pm)—Mr Chairman, the opposition remains opposed to this legislation, as we made very clear in our second reading debate speeches. But what we did indicate to the Senate was that if we moved into the committee stage, we would be seeking to make a very bad piece of legislation slightly less bad—if I can
put it that way. Having said that, we will be opposing this legislation on the third reading. The reason is that the Labor Party have only put forward one reason why this legislation is necessary—that is, to fight inflation. That is the one reason that they have given for this legislation. Senator Carr, of course, has come in here and said it is all about his socialist doctrines and politics of envy and that they are not in the business of giving millionaires tax breaks et cetera. That might be the case if you are talking about Lamborghinis and Bentleys, but, quite frankly, not when you are talking about motor vehicles that cost $57,180.

But the Labor Party have come into this place saying this is about fighting inflation. I say to my friends on the crossbenches, ‘In keeping the government honest, in keeping the government accountable, you have to ask yourself this one very simple question: will this legislation do that which the government asserts—that is, fight inflation?’ We all know the answer to that. Labor senators, in their report to the Senate on this very legislation, at paragraph 2.19, confirmed that this legislation will in fact be inflationary—acting in complete contradistinction to what the Labor Party asserted in introducing the legislation. So to my friends on the crossbenches, who assert that their role is to keep government honest, to keep government accountable, I ask them: how do they justify providing support for this legislation when it flies in the face of the government’s own assertions about the legislation? Why would they be voting for it when it is inflationary? I do not think there is anybody in this chamber now that would doubt that this legislation is inflationary, yet the government continues its mantra that somehow it needs this bill to fight inflation.

It does not make sense; it does not make economic sense. We all know that. Sure, you might want an increased taxation regime because you believe in the politics of envy or whatever—that is fine—but the government do not present this legislation on that premise. They present it to this chamber on the basis of fighting inflation and fighting inflation alone. And yet, their own senators, their own chair of the Senate economics committee, acknowledge that this legislation will be inflationary. So for those who parade themselves to the Australian people as keeping the government accountable, I simply ask them this question: how do you allow a government to get away with something like that?

But what is also very disturbing about this is that this legislation will hurt the Australian car manufacturing sector. Make no bones about it, that is clear, and I think everybody is agreed on that. The three Australian motor vehicle manufacturers that are left agree that it will hurt their industry; it will hurt jobs in the Australian car industry. Indeed, the Federation of Automotive Product Manufacturers also believe it will hurt the Australian domestic market. So we have got it being inflationary, hurting Australian jobs, hurting Australian manufacturing and hurting innovation, and we got all of this before the Senate committee. You really do wonder what is left to promote this legislation to this Senate chamber. There is indeed nothing left.

Indeed, we have had a whole range of amendments suggested to us in relation to this legislation, some of which are, quite frankly, counterintuitive. I would say to my friend Senator Fielding in relation to his suggestion, and this is relevant to the opposition amendments, that in his first speech on the second reading of this legislation he expressed concern for the rural and regional communities—a very valid concern—but I think the government sold him a pup. He asked the government, as I understand it, to draw up some amendments, and now all he is concerned about are those families in rural and regional Australia that happen to be
farmers, or primary producers, and somehow involved in the tourism industry, and then only if they have four-wheel drives. What about the families in rural and regional Australia whose breadwinner happens to be the local Australia Post contractor, or the local plumber, or the local vet, or the local general practitioner, who needs a four-wheel drive to get to and from their place of work? Those families clearly are not first families in the consideration of Family First. I cannot see the logic of carving out only primary producers but completely and utterly ignoring all those people who help primary producers. The plight of the primary producer is strong and it is very convincing. But can I say to Senator Fielding that the plight of the farmer is unfortunately shared by the plight of the local fencing contractor, or the local mechanic, or the local vet, who is also suffering because of the decline in rural and regional areas, especially where there is that terrible affliction of drought. So why would we say that only primary producers and tourism operators should get a benefit, and then only if they have four-wheel drives? It really does defy logic.

As a result, the opposition has proposed that there in effect be a two-tiered system of the luxury car tax. We do not think that there should be such a system, but if the majority of honourable senators are so minded then we are of the view that a two-tiered system may well lend itself to cover not just the primary producer, not just the tourism operator, but also the Australia Post contractor, the plumber, the vet, the general practitioner and all the other people living in rural and regional Australia that suffer exactly the same issues and difficulties as the primary producers. That is why we are suggesting that the rate of the luxury car tax should be at 25 per cent from the current threshold of $57,180 through to $90,000. Then at $90,000 we have the new 33 per cent rate cutting in. We believe that the quite silly nonsense of the Prime Minister and the Treasurer getting up at question time trying to talk about this luxury car tax as applying to Porsches has been fully exposed by my colleague the leader of the National Party in this place, who said, ‘Show me a Lamborghini or a Bentley or a Rolls or whatever that you can buy for $57,180. She would be pretty clapped out or hot.’

It is great to see Senator Williams in the chamber because he supports this as well. If you believe in the luxury car tax then for those over the $90,000 mark we would suggest that what we need is, for want of a better term, a super luxury car tax. But to try to say that Mr and Mrs Average, who are concerned about their children and want a Toyota Tarago with the options, or somebody who wants a Commodore HSV with some options, buying in that range of up to $90,000 are somehow in the same category as somebody who would buy a sports motor vehicle like a Porsche for four or five times that price is sophistry at its worst. It is twisting and it is designed to sell a false message to the Australian people.

We do not believe in the politics of envy on this side. We say that if you pay your GST and your luxury car tax then so be it. The more expensive the car, the higher proportion the 10 per cent and the 25 per cent rake in for the government in relation to each vehicle. But the point in relation to our amendment is very simply this: we will make no special exemption just for primary producers or just for tourism operators, deserving though they be. We want an exemption also for the mums and dads with their Toyota Taragos. We also want an exemption for all those other people in rural and regional Australia who quite properly need the sorts of four-wheel drives that Senator Fielding has been championing. I would suggest to honourable senators, especially on the crossbenches, that this would
be a lot better and cleaner way of achieving a result for those who genuinely need a workhorse or a people mover in relation to their work and family needs in rural and regional Australia but also in other areas of Australia.

Let us not forget that there are many grey nomads these days who buy well-equipped four-wheel drives to go around Australia. They are not millionaires. Some of them in fact have these four-wheel drives while living in suburbia because they like to tow a caravan and, guess what, a Toyota Prius or a Hyundai Getz will not exactly do the job when you have got a big caravan. For safety you need a big car, and that is why they buy the heavier and well-appointed four-wheel drives. I also say that those who go recreational fishing cannot switch and change cars for the weekend. As a result, they have a four-wheel drive as their car of convenience throughout the year. Of course, they use it for their recreational purposes as well.

We believe the concerns of Family First can be fully addressed through this amendment. Then we would not have the situation of Senator Fielding having to champion only primary producers. Whilst I am sure he did receive all those emails that he read from, I wonder what he would say to the local plumber, fencing contractor, Australia Post contractor or vet—and the list goes on—as to why he chose not to benefit them in the same way that he would benefit the tourism industry and the primary producers.

Having said all that, there is still one fundamental flaw throughout this legislation, and that is the point on which I began. Labor asserts this legislation is needed to fight inflation. The crossbenchers say they are duty-bound to keep the government honest, so I invite them to keep the government honest by voting this legislation down in the third reading, because in supporting this legislation you will in fact be supporting a measure which is inflationary. No ifs, no buts—it is inflationary. It will do the exact opposite of that which the Labor Party asserted in its introduction. I seek leave to move opposition requests for amendments (1), (2) and (3) on sheet 5590 together.

Leave granted.

Senator ABETZ—I move:

That the House of Representatives be requested to make the following amendments:

(1) Schedule 1, item 1, page 3 (lines 7 to 15), omit the formula, substitute:

(a) if the *luxury car tax value is less than or equal to the *upper LCT threshold:

\[
\frac{25}{100} \times \frac{10}{11} (\text{Luxury car tax value} - \text{*Lower LCT threshold})
\]

(b) if the luxury car tax value is greater than the upper LCT threshold, the sum of:

\[
\frac{25}{100} \times \frac{10}{11} (\text{Upper LCT threshold} - \text{Lower LCT threshold})
\]

and

\[
\frac{33}{100} \times \frac{10}{11} (\text{Luxury car tax value} - \text{Upper LCT threshold})
\]

(2) Schedule 1, item 2, page 3 (line 18), omit the formula, substitute:

(a) if the *luxury car tax value is less than or equal to the *upper LCT threshold:

\[
\frac{25}{100} \times \frac{10}{11} (\text{Luxury car tax value} - \text{*Lower LCT threshold})
\]

(b) if the luxury car tax value is greater than the upper LCT threshold, the sum of:

\[
\frac{25}{100} \times \frac{10}{11} (\text{Upper LCT threshold} - \text{Lower LCT threshold})
\]

and

\[
\frac{33}{100} \times \frac{10}{11} (\text{Luxury car tax value} - \text{Upper LCT threshold})
\]
Statement pursuant to the order of the Senate of 26 June 2000

These amendments are framed as requests because they are to a bill which imposes taxation within the meaning of section 53 of the Constitution. The Senate may not amend a bill imposing taxation.

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

As this is a bill imposing taxation within the meaning of section 53 of the Constitution, any Senate amendment to the bill must be moved as a request. This is in accordance with the precedents of the Senate.

We oppose schedule 1, item 3 in the following terms:

(3) Schedule 1, item 3, page 3 (lines 19 to 27), to be opposed.

Senator HURLEY (South Australia) (9.32 pm)—I want to respond briefly to Senator Abetz’s point about inflation and his point that the government senators and I, the chair of the economics committee, admitted in the committee report that there would be an increase in inflation as a result of this measure. There was indeed a section of the report on these bills under the heading ‘The impact on the LCT rate increase on car prices and the CPI’. One of the relevant points was:

As the LCT only applies to the value in excess of the threshold, the price increases for cars affected by the LCT are much less than the 8 per cent increase in the tax rate.

Another point was:

A simple calculation suggests the overall impact on the consumer price index will be negligible. Motor vehicle purchase has a weight of around 5 per cent in the CPI, so if the price of 10 per cent of cars sold were to increase by around 2 per cent as a result of the LCT rate increase, the total CPI might have a one-off increase of 0.01 per cent.

This negligible increase of 0.01 percent is interpreted by Senator Abetz as an increase in the inflation rate. I must say that is fairly typical of the way that Senator Abetz will take a piece of information and twist it around and verbal the person responsible. That is why I point it out, and it was a habit of Senator Abetz with a number of the witnesses at our hearings as well. So it is hard to take Senator Abetz’s statements at face value, and I think that is very relevant to this debate. In fact, the conclusion to the report in chapter 3 says:

The currently high inflation rate is a reason for tighter fiscal policy. Given that high income earners have got significant income tax cuts, and are probably benefiting more from the resources boom than are low income earners, the committee regards it as reasonable for them to bear the burden of higher prices for luxury imported goods, whose prices have in many cases fallen due to the stronger Australian dollar.

The committee findings were indeed that there would be a negligible effect on inflation and that these luxury car tax measures are well in line with government policy. I would urge the crossbench senators to take the rest of Senator Abetz’s commentary on this legislation in the same way as his commentary on its inflationary effect.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (9.36 pm)—I stand in support of what Senator Abetz has said and also in support of amendments (1) to (3) on sheet 5590, which are the amendments moved by my colleague Senator Williams and Senator Abetz. It is quite obvious that those of us in everyday Australia do not want to have to walk into our local hotel, into our local club at night, line everybody up and say, ‘Are you a primary producer or are you not?’ So on one side of the room we will have all the shearsers, the fencers, the contract harvesters, the tractor drivers—all those people who work on rural land, who own a Toyota or an HSV or a vehicle that gives them some sense of comfort in their...
life—and we will say to them, ‘By reason of an amendment that has come out of the Senate we deem you people to be not worthy of being exempted from this increase in the luxury car tax. We believe that you deserve an eight per cent penalty because you dare to be a shearer, because you dare to be a fencer, because you dare to be a contract tractor driver, because you dare to be a harvester. But you, on the other side, because you own some rural land, do not.’ I admit I am one, so I thank you very much for this amendment tonight, because it is an amendment for me. I am one. I would get the benefit from the amendment, but the people who work at my place would not. How bizarre is that? Where did that fount of wisdom come from? This is the sort of ridiculous concept we have.

We have road-tested this issue. It is quite simple. You say to people, ‘What do you want?’ They say, ‘I want my diesel LandCruiser that I use to drive my kids around—with the bull bar and the airbags and which deals with wildlife impacts. Sometimes I run into stock and I want to be able to get home safely, even if it’s wrecked. I want to get home alive.’ I say, ‘How much is that going to cost?’ They say, ‘Oh well, the 70 or 80 grand mark.’ I then say, ‘So if we made everything under that exempt would you be happy?’ They say, ‘Yeah. We think the whole thing is ridiculous, we think the whole thing is anathema, but if you are going to push me out of a plane at least push me out with that parachute.’ It is something that is so simple that we can sell.

But we have copped this peculiar thing where now we are going to have to sit back and say, ‘Sorry, I don’t think within the amendment you are defined as a tourist operator, and I will quote to you what a tourist operator is. Please sit down and grab yourself a cup of coffee because this will take half an hour.’ Or we will have to say, ‘I don’t know whether you really are a primary producer. You might be a primary producer, you may not, but if you are a primary producer you are going to have to claim a rebate.’ This is the sort of Kafkaesque type of approach to policy which is ridiculous in its obscurum per obscurius approach.

What is more, we can go down to the people of South Australia and Victoria and say, ‘Congratulations. Today your government put a reason to put you out of business. Today your government decided that they don’t want Caprices, they don’t want HSVs, they don’t want Statesmans. Those jobs can move overseas. This is the government of the day helping you out! They are putting you out of work.’ This is definitely an impetus to buy another vehicle from another country. This is how it will be seen: as an attack on working family jobs and something that divides communities down the middle in a way that I thought we had left behind. People in regional areas have to go through the same afflictions, whether or not they happen to be lucky enough and blessed enough to own a piece of land. They still drive on the same roads, so help me. It is not that you are elevated into the heavens to be transported across the land by the conviction of gods because you happen to be a shearer. You have to drive on the roads like everybody else. You have to actually drive on the roads like everybody else if you happen to be a fencing contractor. You have to drive on the roads like everybody else if you happen to be the windmill mechanic, if you are putting new pots in windmills. You have to drive on the roads like everybody else if you are a contract muleser. But under this law you are not entitled to the exemption. Why? Because the powers that be have decided that one group in society is entitled to a certain deduction pertaining to a vital part of everybody’s life—that is, their right to transport—and that another group in society is not. This
is partisan. No, this is parochialism to drive a wedge into a community.

I am happy to take people on a Friday night of their choosing to the pub of their choosing in a regional town and see how they go explaining it. It would be interesting to watch how they would define the worth of one person over the worth of another. It would be interesting to note that Barnaby Joyce would get an exemption but—I am thinking of the guys back home—Mr Kennedy would not. Why? Because as a mechanic he would not be entitled to one. Only Barnaby Joyce would get one of those because he owns rural land and Mr Kennedy does not. That is a pretty incredible indictment on how we do business in this place. They both live in St George, but apparently that is irrelevant. We have to get to a point where we have something that people can understand.

I acknowledge that this whole idea of the concept of luxury is anathema. It is a peculiarity which has just started to grow. The people who agree to this and the people who vote for this are the harbingers of what happens next. They will lay down the doormat for the luxury tax on fridges and for the luxury tax on TVs for those people who will be the arbiter elegantiarum on all things in our life. They will deem: ‘That is the right shirt to wear; that one should have a luxury tax. You are entitled to that piece of jewellery; you are not entitled to that piece. You are entitled to that fridge; you are not entitled to that one. You can have that stove, but not that one.’ Why? ‘Because we are jealous of you, basically, and we just want to divide you up and collect a bit of money on the way through as we start driving wedges into society.’

What is the purpose of doing that? Why would you do it? Where does all this go? What is the rationale to this: to turn up to the motor vehicle industry—and I thought that Senator Carr would understand this—and overnight say, ‘Wham bam, here it is, tax that’? Of course, they will make the logical decision and say, ‘Oh well, we will vote with our feet. We will develop a plant in China. We will develop another plant in the United States. But we’re not going over there, because those people are half crazy. They have just developed a 33 per cent tax because we dare to think outside the box, because we dare to be a little bit different, because we dare to develop their car manufacturing industry in their country. We are going to move somewhere else.’

I mean, surely people can see where this will go next—read the tea leaves about where this issue will end up next. The working families in these car manufacturing plants will stand up and say, ‘We would have had a future. The company would have further developed our plant. We would have kept our jobs. But one of the straws that broke the camel’s back was your tax.’ Then they will have a reason to take that on board in discerning who they should vote for. It is as simple as that. There are ways around this. There are ideas on the table that would allow us to deal with this. There have been propositions made by many people who have said that there are ways we can mitigate the effects of this. I really do think they should be strongly considered.

There is still time in this debate to strongly consider the effects of what we have before us and to make those moves to say, ‘Let us start with the safety principle first. Let us start by erring on the side of safety, and if we think we have been a little bit too safe—even if you disagree with me—then let us wind it down a bit.’ The amendment before us has been ably put up by Senator Williams, my colleague from Inverell. Being from Inverell, I think he would have a rough idea what it is all about. Being a person who
has actually run a business, a person who has actually been a shearer and a person who has actually worked with his hands, I do not know whether Senator Williams would actually get this exemption—because he is not fortunate enough to own a block of land; he is not endowed with quite enough. He will have to stand on the side of the hotel for those who do not get the deduction. Those people are not going to be endowed with this benefit from the government, but others will.

But there is still the capacity now in this chamber for people to think about this and to take on board this amendment put up by Senator Williams and Senator Abetz and to make sure that this amendment is passed. Even though the concept of a luxury car tax, I think, is absolutely ridiculous in the extreme, it is a case of if you are going to be pushed out of a plane then it is better to be pushed out of the plane with a parachute. If people do not do this, then we will get down to the peculiarities of other amendments which start dividing up whole communities.

I would really like to know, at a later stage, if this is rejected: what is the moral position that says a farmer who owns land is a better person than a person who works on a farm who does not own land? I want to know: what is the philosophy, the guiding principle, that says this person, who looks exactly like that person, is entitled to a deduction that that person is not? If you add up the hours of the day that these people—the shearers, the vets, the Australia Post workers, the contract mulesers, contract crutchers, contract markers, and contract musterers—are spending on the land then you will probably find that they are spending far more of their lives on the land than the person who owns the land. Yet one group gets the deduction and one group does not.

It is the obligation of those who propose amendments that suggest that one person is entitled to this amendment and one person is not, to clearly lay down the moral position as to why this is so—why it is that these two groups are different groups of people who need to be differentiated in the way this government approaches them. It is an anachronism that should end up in the Hansard so we can all take it home and explain it to our constituents. I will be honest with you: I will absolutely make hay while the sun shines on this one. I will take this to every corner of my state and hit it around for all it is worth. If there is one thing I have picked up it is that I know what people respond to. It is things like this; this is the sort of thing that results in calls, because it will just annoy the living daylights out of people. It annoys the living daylights out of people when they feel that the government for unnecessary reasons is reaching into their pockets.

Progress reported.

ADJOURNMENT

The PRESIDENT—Order! It being 9.50 pm, I propose the question:

That the Senate do now adjourn.

Darling Range Sports College

Senator STERLE (Western Australia)

(9.50 pm)—I rise tonight to talk briefly about an honour that was bestowed upon me between 12 and 19 July this year when I, as the patron for the Darling Range Sports College in Western Australia, which used to be the Forestfield Senior High School, had the honour and privilege of taking nine students through the East Kimberley on a trek. For those opposite who may not have had the pleasure of seeing the East Kimberley region, we ventured out of Kununurra at the top end of WA on a 40-minute flight southwest to a place called Kachana Station. I have to tell you that 16 years travelling as a truckie through that part of the world was pretty tough from inside an air-conditioned cab looking out of the windscreen but to ac-
tually get out there, walk the country, live on it and live off it, really did open my eyes.

As I said, I took nine students out there with the help and support of some very decent people—some of whom I would like to mention. One of them is Mr Greg Maynard, who is the director of the sports college. I would also like to mention his fellow assistant teacher Ms Amanda Fleming. I was also joined on that trip by some supporters—namely, Mr George Takla and his son Medhat. Mr and Mrs Takla are in the gallery today and I welcome them here to Canberra. It is great to see them. George was absolutely fantastic in more ways than one in supporting us.

But, as we travelled through, there is one person I really must congratulate and thank. He is a great friend of mine, one Mr John Davis, affectionately known as JD. JD and I have been mates for a long, long time; we came through the trucking industry together. It all started when JD said to me that his granddaughter goes to a state school and suggested that we should visit and have a look at this state school because it is something out of the ordinary. I did that, and I must say that it was a special school.

But I have more to say on the trek. What happened was that we were taken by two Cessna Caravans to Kachana Station—as I said, about 40 minutes south-west of Kununurra—and were dumped on a remote airstrip. I have to tell you that it looked lovely from the air. Once we hit the ground, we were at the Chamberlain River, if I remember rightly, where we had a very enjoyable lunch while we put our 18-kilogram backpacks on. I think that was the last enjoyable lunch till the Saturday seven or eight days later.

The students learnt orienteering and how to survive out there on their own. They learnt leadership skills. We had a group that took us out there called Adventure Out. Adventure Out had some very fine scouts, assistants or whatever they are called—I am sorry; I do not know the proper word. They told us that this was the last bastion. They said, ‘It’s pretty easy.’ They said, ‘If you want to have a good trek and enjoy some hardness and hardship, do Kokoda; if you want to get the living daylights flogged out of you for the next seven days and really question your place in this world, then you do the Kimberley.’ They also told us that there would be no porters and that we would be carrying everything ourselves. As I said, 18-kilogram backpacks are not bad for the first hour, but it is different when you are traipsing across some of the harshest country in this fine continent of ours. With just about every step we took we did not know what was under our feet. I have never walked on so many rocks in my life, let alone through spinifex and through creeks, and it was absolutely amazing.

All our water was collected as we walked. We did not have Powerade, Coca-Cola or choc milk at every turn. Everything was collected as we went. The food we ate was dehydrated. I must say, Mr President—you know me well enough—that I am proud to say that I lost four kilograms that week; that is how harsh it was. So I can recommend it to a lot of senators if they really want a challenge. Join me next year; put your hand in your pocket, fund one of the kids whom we are taking and join us. It is there for the taking.

To talk a little bit about how the kids conducted themselves, these students—make no mistake—earned their right. It was not decided by names drawn out of a hat. These students—these young Australians, 17-year-olds—actually had to apply to do the trek. I tell you what: what a fantastic bunch! We had three boys and six girls. It is just amazing how they left us oldies—I do not think my good friend George up there would mind
my calling us oldies—for dead. I tell you what: they were an inspiration to us; they really were. They carried us through—some of the older ones, who found each day a little bit harder.

Senator Heffernan interjecting—

Senator STERLE—I look at you, Senator Heffernan, and I will drop the ‘oldie’ comment. As I said, these students took a lot out of that. There were seven days of sleeping rough. I say ‘sleeping rough’, because what we actually slept on—and I am not kidding you—was about three centimetres of foam on a black groundsheet. I said to my daughter, who accompanied us, at the time, ‘Look, babe, I cannot wait till we get home; I’m going to put a rock garden in the front because you and I will have nowhere to sleep when we get home.’ It is absolutely amazing what the human body can do. There were not the comforts of the fridge, TV or a nice hot shower every night, but where you pulled up was where you slept, and I tell you that you slept really well until four o’clock in the morning, when it was time to get up, pack your tent up, get your gear together, have your powdered milk and your Nutri-Grain and go off for another 12 or 13 hours of trekking.

As the trekking guides—that was the word I was looking for: the guides—had never done that trek before, they had warned us that there could be some interesting species of animal on the way. I have to tell you quite simply that there was no shortage of crocodiles. So as not to put the living fear up the children’s parents if they happen to read the Hansard, let me tell you that they were freshwater crocodiles, but we were told that there was a fishing hole where the guides had heard that we could not go into the water. It might only have been a three-foot freshie, but it soon put a shiver up your spine and we learnt to go without a tub that night if we had not bathed in the day.

Also, we were confronted by rogue bulls at Kachana Station. For 16 years, proudly running up and down that highway, I had never heard of Kachana because there is not a road into Kachana Station. You can imagine that, if you want to go into Kachana, you go in and come out by aeroplane. There is no livestock being traded; they are rogue bulls. Even at this fine hour of night, I look across the chamber and, as soon as I mention a rogue bull, I have Senator Heffernan looking at me! I have to tell you, Mr President, that I would rather confront him at 10 o’clock in the chamber than what we had to confront out there! But we were not alone. The kids were absolutely brilliant; they were fantastic. I commend the school and the students.

So that I do not run out of time—and I could talk about it all night—in the short time I have left I would like to thank, firstly, the students: Taryn Friend, Denise Shepley, Teagan Trainor, Nadia Murcha, Lyndal Evans, Joshua Martens, Jordan Hayden, Shaun Hawkes and Jonna Davis. What a fine, outstanding bunch of young Australians! I am sure they did their parents proud. Their parents should be proud of how they conducted themselves, getting us oldies through there as well.

But it could not have happened without the financial and professional support of some fine Western Australian businesspeople, who I would like to take this opportunity to name and thank. I cannot thank them enough. Once again, I thank Messrs George and Medhat Takla. Thanks, mates. I tell you what: you are coming back next year! While I am at it, my good mate JD said that we were not going and that no-one was going again, but he found that George was one year older than him, so JD thought to himself, ‘I’ve got to beat George!’ And George has
just told me tonight that JD is not going to beat him because George is going to be back on the trek next year. I would like to thank Mr Ian King and Mr Derek Nathan from the Transport Forum WA, two very fine gentlemen in the transport industry—and that is coming from me; I do have friends on the other side in the transport industry. I would like to thank Mr Malcolm Bradshaw and Mr Brad Geatches from the Westralia Airports Corporation; and Mr Jack Diamond and Mr Paul Kelly from Members Equity—fantastic help, guys; thank you. I thank another good friend of mine on the other side of the transport fence, Mr Marc Cardaci from CFC Holdings; Mr Mario Strazzzerri of WA Freight Group; Mr Nick D’Adamo—you see, they all have the similar names to mine; we have a lot of things in common, and they are fine transport people—from Keys Bros Removals; Frank Ferrari from Subiaco Print; and Hugh Davin from Skywest.

To those businesses and individuals, thank you very much. I will come back knocking on your door next year, because I am told that the nine students who did this trek this year have all put in to come back next year. Sadly, they will not be at the school, and there will no room for them, but I believe they have gone back to their school and done nothing but talk about that fantastic adventure that they had through the Kimberley. As I said, everyone talks about Kokoda, and Kokoda is very close to our hearts and always should be—it is a very proud part of our history—but there is also a fantastic part of the world within our own shores, and for other reasons.

I would encourage any Australian to go. I am not looking at Senator McEwen, but I am throwing the message over to my good friend Senator McEwen, who is a well-known trekker and walker: come over, mate; we will take you up there and show you what it is like in the Top End. Once again, to all those supporters, to those students, to the school, I wish them all the very best. I look forward to conducting the same trek next year. This year I am in the gym and I am getting ready.

Heavy Vehicle Driver Fatigue Laws

Senator HEFFERNAN (New South Wales) (10.00 pm)—Thank you very much, Senator Sterle, for that great story—and for your compliments to me. That is a great story, but I want to tell you a scary story. This is a very scary story. It is about scary government, stupid bureaucracy—I do not know where the opposition fits into this—and the New South Wales farmers. I will give them a cheerio call just for trying to have a go. It is all about the national heavy vehicle driver fatigue legislation, which is designed to make driving safer and the work conditions better for drivers in Australia, and to harmonise the laws across the states. For some strange reason New South Wales is completely dysfunctional; as a matter of fact, there ought to be emergency powers to get rid of the government. But I reckon this is making out a case for New South Wales farmers to down tools until sense is returned to the RTA in New South Wales. They are introducing driver fatigue laws which do away with the 100-kilometre exemption. In other states at the present time if you work within 100 kilometres of your base you are not subject to these laws. But, in New South Wales, you will be, from 29 September—next weekend.

Now, I do not know why no-one else has raised this—you try and get across everything you can, and it is a state issue—but owners of trucks that have a gross vehicle mass of more than 12 tonnes, which includes trucks that carry eight tonnes—a four-tonne truck with an eight-tonne axle—are going to have to have a logbook and they are going to have to log everything they do in the truck.
I will just read out some things that you are going to have to log if you are a farmer. This is silly stuff. If you are stripping a crop on your farm—Senator Johnston, you had better listen to this—and you are carting the wheat from the paddock to the silo on your farm—that is, you are not going onto a public road—you have actually got to log the time that you drive the truck. If you are driving a truck and a public road goes through your place—there are plenty of them—and you cross the road, you have got to log the crossing of the road. This is in a book; this is paperwork. This is a nightmare. If you are working on the truck—if you have got a truck, say, with a stock crate on it and the gate on it breaks and you are welding it up—you have got to log that in your logbook in the truck.

Senator Williams—And in the wheat line.

Senator HEFFERNAN—I will get to the wheat line. If you take your truck to town, say, once a month, to get a rego check or something, or you leave it there to get some repairs, the garage have got to log when they move it from the yard into the workshop, into the shed. They have got to log that.

The RTA have been giving briefings, and this information came out of the Wagga briefing. There was no answer for what to do if you have got someone who is unlicensed but driving the truck on private property, where you do not have to have a licence but if you have a prang you might have a bit of a problem with insurance. If you are in the silo line-up—and sometimes you can be there for a couple of hours—and you have got the truck turned off and you are looking out through the windscreen, you are just sitting there, that has got to be logged as work. But, if you are sitting in the same truck with it turned off and you are reading a newspaper, you log that as time off. If you are feeding stock, you have to log it as time on. If you are driving a mobile library around the country and you pull up at a school and you get in the back of the truck to do the librarian work—these people are librarians—you have got to log, in the logbook, the time you do librarian work in the truck.

If you drive a header all night, 12 hours—this is how stupid it is; this is the contradiction in it—and then you decide to cart your wheat all day, you can actually do that, as long as you do not do 12 hours in the truck. But you can do 24 hours, 12 of it in the header and then 12 of it in the truck. To say it was bloody stupid would be an understatement.

The information on chain of command—and this is a lawyer’s feast—says:

- Under the new Chain of Responsibility provisions, farmers who cause fatigue by setting unrealistic schedules and leaving tired drivers waiting around to load or unload could face prosecution and tougher penalties. In effect, if a transport request falls outside a driver’s scheduled timetable, then farmers cannot force them to take the load.

That is fair enough. I do not know how we are supposed to know, though. If a farmer loads the truck and the truck driver speeds on the way back, to catch the silo, the farmer is legally responsible for the speeding truck, even though he is back in the paddock. If a farmer has sheep in the yards or wheat in the silo and it is all set up for the truckie to come in and get it but the farmer is not there, so the truckie loads it and away he goes and then he breaches the time, even though the farmer does not know what the truckie’s logbook says because he was not there when it was loaded, the farmer is responsible. This is mad sort of stuff. The briefing paper states:

Work time is not just driving time: it is the time that the driver spends driving the vehicle and any time spent on other tasks related to the operation of the vehicle. Driving includes being in the
driver’s seat while the engine is running and instructing or supervising the driver of the vehicle. Work time also includes the time that the driver spends doing tasks related to the operation of the vehicle such as: loading and unloading; inspection, servicing or repair work; attending to the load or to passengers; cleaning or refuelling;—

so when you are refuelling the truck in the morning you have to log that as time driving the truck—

performing marketing tasks; and recording information.

You have even got to log the time you record the information, which will take a long time.

The New South Wales farmers to their credit are talking to the government, but the government has absolutely no idea of the impact of this because there is no-one in the government who lives in the bush. They have got no bloody idea of what this means in practical terms. Senator Stephens lives in the bush!

It is hard to believe that this comes from a sensible bureaucracy backed by a competent government—we know that the New South Wales government is the worst government in Australia. The document continues:

Does the legislation apply to fire fighting drivers in Rural Fire Service (‘RFS’) approved heavy vehicles? Eg. Delivery of Heavy earth moving equipment to the fire ground, water to aircraft, heavy fire fighting trucks at fire grounds both private and RFS owned.

Yes, the legislation will apply to all heavy vehicles with a Gross Vehicle Mass (GVM) of more than 12 tonnes ...

If you are at a fire you are not too worried about what the clock is telling you; you are worried about putting the blasted fire out. How silly is all this stuff. How could any reasonable bureaucrat put this up as a proposition. The document continues:

Does the legislation apply to driving short distances to town to obtain supplies (eg. Dog biscuits and/or chemicals)?

The legislation will apply to all regulated heavy vehicle driving regardless of distance travelled.

If you go 300 yards you have got to log it!

How will the chain of responsibility provisions cover farmers when loads are picked up unsupervised at remote locations?

This often happens, and the answer is:

The chain of responsibility provisions apply to all parties in the transport chain. A party in the chain of responsibility would include the owner of a farm who wishes to get produce/livestock delivered and the person receiving the produce/livestock at the other end. A party in the chain of responsibility must take all reasonable steps to ensure that a driver does not drive a vehicle while impaired by fatigue or at risk of fatigue.

The consignor (farmer) must ensure that they can demonstrate reasonable steps were taken to prevent a breach ...

What sort of a lawyers’ feast and farmers’ nightmare is this going to be? It continues:

According to the legislation, work is defined as time spent driving a regulated heavy vehicle as well as time spent: loading or unloading; inspecting, servicing or repairing the vehicle; inspecting or attending to the load on the vehicle; attending to the passengers of a bus; cleaning or refuelling the vehicle; performing marketing tasks—

(Time expired)

Strengthening the Non-Profit Sector in 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) (10.10 pm)—I rise this evening to share with the chamber the important work that is currently underway to strengthen the relationship between the federal government and Australia’s non-profit sector. We recognise the enormous contribution of the sector to Australian society and to the economy—delivering services, building communities and giving hope.
But theirs is also a very significant sector, comprising some 700,000 organisations. In 2006-07, the non-profit sector accounted for almost eight per cent of the workforce in Australia and turned over around $75 billion dollars. And more than 2.2 million people volunteered in this sector during 2006.

Ours is a government focused on innovation and collaboration. We are promoting a level of civic engagement in the issues confronting us as a nation, which has not been seen for a very long time. Central to the government’s priorities has been the commitment to a new social inclusion agenda.

We are all touched by the non-profit sector in some way every day, so the importance of non-profit organisations in realising the goal of a fairer and socially inclusive Australia cannot be overstated. We envisage social inclusion as being about every Australian having the chance to make choices, to participate in work, to belong, to have a place to call home, to volunteer, to be visible, to be able to access services, to be able to connect with friends, and to believe that their opinion is worth expressing, and, more importantly, is worth being listened to.

The agenda recognises the critical role the non-profit sector plays in delivering services, advising and developing social policy, and advocating on behalf of marginalised groups. A strong relationship between the government and the sector will be crucial to the success of our social inclusion agenda and related reforms.

At present, as Parliamentary Secretary for Social Inclusion and the Voluntary Sector, I am engaged in a deep and extensive conversation with the non-profit sector about the kind of mechanisms we can put in place to improve our relationship and to create opportunities for meaningful dialogue with the sector and, in turn, the Australian people. This is why I have led a piece of work across government to restore the right for organisations to advocate, and to remove from existing federal contracts the clauses that constrained advocacy. We have done this, and organisations that are involved in access and equity issues should no longer feel constrained from speaking out.

This is just one first step and we must consider what other reforms we can undertake to strengthen the working relationship and to reframe the partnerships that had become so one-sided under the former government. One way we are exploring to do this is through a national compact—an agreement between the Australian government and the non-profit sector that outlines how the two will work together to improve and strengthen their relationship now and in the future. Compacts exist in countries such as the UK and Canada, as well as in several states and territories. We have learnt that they can be successful vehicles for encouraging innovation, strengthening capacity and improving relations between sectors.

The government is seeking initial views about what a national compact could achieve. We have commissioned ACOSS, the Australian Council of Social Services, to undertake a preliminary stage of consultation to find out if there is value and support within the non-profit sector for developing a compact and, if so, what it might look like. I take this opportunity to thank ACOSS for their work in bringing together such a wide range of organisations at these meetings. I have attended many of them and have been encouraged by the willingness of people to engage with us and provide their feedback on what a new relationship with government might look like.

So far, the consultations are indicating a high level of optimism, but I reiterate that a compact must be not about words but about real actions. Organisations welcome the op-
portunity to have their voices heard on the priority areas of government—and government must be willing to take on board the expertise in the sector. Some key threshold questions remain to be answered—for example, who would sign such a compact; what is its practical application; and how do we build a relationship that can improve the lives of Australians?

The government also recognises that the sector is diverse and wide reaching, and I am keen to hear how we can be inclusive in our discussions and consultation process. That is why I invited 12 experts in the sector to advise me on what the next steps could be and how to ensure we engage important groups such as volunteers and organisations in rural communities. They recently met with me and highlighted how important it is for this active conversation and, importantly, that there must be change in both sectors.

The endgame must also be about ensuring that all Australians are able to benefit from a more effective relationship between government and non-profit organisations. It has to be about how such an influential policy as social inclusion actually achieves its effects. Many important social innovations have emerged from the non-profit sector over our history—community housing, benevolent societies, self-help groups and participatory environment programs, to name just a few. We must continue to encourage innovation and creativity in this sector, just as we do in industry, education or health. This will ensure that the sector organisations can take advantage of new technologies and service models. It will create opportunities for their contribution to the design of programs and projects—after all, they are the ones with much expertise in reaching out to disadvantaged and excluded Australians. So I believe a compact could provide a way of elevating the independence and status of this important sector in our community.

The notion of social inclusion derives from a fundamental feature of human thought—the imagination. Aristotle wrote long ago, ‘The soul never thinks without a mental image,’ and attributed the capacity to form mental images to the imagination. That is what this discussion is really all about. It is about the sector having the opportunity to imagine a vision for its own future. A national compact, I believe, can help to shape that vision and bring it to reality—where non-profit organisations are working in genuine and respectful partnerships with government and business, where collaboration delivers cooperative action and negotiation that are perceived as legitimate components of public administration rather than just regrettable departures from expected practices.

We are encouraging everyone interested in the way a compact may work, and its impact on their organisation or community, to participate in the ongoing consultations around the country. The ACOSS website has details of the dates, times and places for these consultations. Submissions are also possible at the social inclusion website. They close this Wednesday, 24 September.

The consultations have also highlighted that the sector is facing many challenges. Many are the results of social change, such as changing community priorities, the falling off of volunteers, capacity constraints and ageing infrastructure. But some of the most difficult challenges are the unintended consequence of government action. Red tape has placed burdens on community organisations that certainly do not reflect the level of risk that these organisations represent. That is why we are determined to reduce the burden of fragmented, competing and duplicated funding models operating across government agencies. We also want to reduce overly complex and inconsistent regulations at the national and state levels. We believe that, if
we can achieve this, it will also help to ensure transparency and accountability in the sector.

Promoting social inclusion requires a new way of governing. It involves visualising how things should be. It concerns itself with how our society is and ought to be. We are rethinking—even imagining—how policies and programs across portfolios and levels of government can work together to combat economic and social disadvantage in Australia and break down the barriers to participation.

I acknowledge the enduring endeavours of the non-profit sector in Australian communities. I have been privileged to meet many wonderful people who make up the sector and I look forward to our conversation as we build a vital agenda for a fairer, inclusive Australia.

**Senate adjourned at 10.19 pm**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Civil Aviation Act—

Civil Aviation Regulations—Instrument No. CASA 440/08—Instructions – for approved use of P-RNAV procedures [F2008L03295]*.

Civil Aviation Safety Regulations—

Airworthiness Directives—Part—

107—AD/PARA/19—Emergency Parachute [F2008L03487]*.

Instrument No. CASA 496/08—

Direction – Cessna 441 Conquest [F2008L03489]*.

Customs Act—

Tariff Concession Order 0707321 [F2008L03237]*.

Tariff Concession Revocation Instrument 67/2008 [F2008L03215]*.

Defence Force Discipline Act—Select Legislative Instrument 2008 No. 197—Australian Military Court Amendment Rules 2008 (No. 3) [F2008L03491]*.


Fisheries Management Act—Eastern Tuna and Billfish Fishery Management Plan 2005—ETBF Direction No. 08/02—Daylight Setting Closure [F2008L03481]*.

Health Insurance Act—

Determination HIB 15/2008 [F2008L03502]*.

Health Insurance (Home-Based Sleep Studies) Determination 2008 [F2008L03459]*.

Judiciary Act—Legal Services Amendment Directions 2008 (No. 2) [F2008L03486]*.

Lands Acquisition Act—Statements describing property acquired by agreement for specified public purposes under sections—

40.

125.

Migration Act—Select Legislative Instrument 2008 No. 189—Migration Amendment Regulations 2008 (No. 6) [F2008L03476]*.
Remuneration Tribunal Act—
Remuneration Tribunal Determination 2008/18: Remuneration and Allowances for Holders of Public Office [F2008L03461]*.

Social Security (Administration) Act—
Social Security (Administration) (Declared relevant Northern Territory areas — Various (No. 30)) Determination 2008 [F2008L03507]*.

Telecommunications (Consumer Protection and Service Standards) Act—
Telecommunications (Emergency Call Service) Revocation Determination 2008 [F2008L03497]*.

Governor-General’s Proclamation—
Commencement of provisions of an Act

Migration Legislation Amendment Act (No. 1) 2008—Item 5, subitem 6(3) and item 7 of Schedule 4—19 September 2008 [F2008L03482]*.

* Explanatory statement tabled with legislative instrument.

Indexed Lists of Files

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2008—Statement of compliance—Department of Health and Ageing.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Defence: Media Management Contract
(Question Nos 449 and 471)

Senator Minchin asked the Minister representing the Minister for Defence, upon notice, on 30 May 2008:

Since 1 July 2006: (a) has the department or any agency in the Minister’s portfolio engaged: (i) CMAX Communications, (ii) Maximum Communications, (iii) Mr Christian Taubenschlag, (iv) Ms Tara Taubenschlag, or (v) any company operated by Mr Christian Taubenschlag or Ms Tara Taubenschlag; and (b) if so, in each case: (i) when was the engagement, (ii) what was the nature of the engagement, (iii) what was the value of the engagement, (iv) what was the term of the engagement, (v) was the engagement entered into after a competitive process; if not, why not, and (vi) did the Minister or any of his/her staff have a role in recommending this engagement.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(a) (i) Yes.
(ii) No.
(iii) Mr Taubenschlag was the ‘specified person’ identified by CMAX to undertake the work under the CMAX contract. Since 1 July 2006, there have been no separate contracts between Defence and Mr Christian Taubenschlag.
(iv) No.
(v) CMAX is the only company operated by Mr Taubenschlag that has been engaged by Defence.

(b) CMAX Communications:
(i) Since 1 July 2006, DMO has had two contracts with CMAX. The first ended on 31 August 2006. The second commenced on 1 September 2006, with final services being delivered in October 2007.
(ii) CMAX provided strategic communications advice to CEO DMO, the Amphibious Deployment and Sustainment Program, and the Air Warfare Destroyer Program.
(iii) From 1 July 2006 to 31 August 2006, payments of approximately $41,000 were made against the existing contract. Payments against the second contract totalled approximately $216,000. These figures include both fees and reimbursement of travel cost.
(iv) 16 months.
(v) The first contract was sole-sourced. This contract was sole-sourced because of urgent time factors and the advantage CMAX had through its detailed knowledge of the communications requirements for these programs. The second contract was awarded after a competitive process.
(vi) No.
Senator Milne asked the Minister for Climate Change and Water, upon notice, on 14 August 2008:

With reference to the report Carbon Pollution Reduction Scheme: Green Paper:

(1) (a) What activities constitute: (i) ‘forestry’ in Chapter 2 ‘Coverage’, and (ii) ’forestry and logging’ in Appendix D ‘Analysis of the emissions intensity of Australian industries’; and (b) specifically, in each case, where do native forest logging pre-1990 plantations and post-1990 plantations fit.

(2) In Appendix D, what revenue is attributable to post-1990 plantations.

(3) What proportion of emissions from deforestation are estimated to be due to forestry and logging in: (a) Tasmania; and (b) mainland Australia.

(4) What proportion of emissions from deforestation are estimated to be due to agriculture in: (a) Tasmania; and (b) mainland Australia.

(5) Why have deforestation emissions not been allocated to an industry sector when they are such a significant proportion of Australia’s total emissions.

Senator Wong—The answer to the honourable senator’s question is as follows:

(1a) (i) Forestry as described in Chapter 2 – Coverage – of the Carbon Pollution Reduction Scheme Green Paper refers to Reforestation activities as defined for the first commitment period of the Kyoto Protocol (2008-2012). Reforestation refers to the establishment of forests after 1 January 1990 on previously cleared land.

(ii) Forestry and logging as described in Appendix D of the Green Paper refers to the 1993 Australian and New Zealand Standard Industrial Classification classes of forestry, logging, and services to forestry.

(1b) (i) Reforestation applies only to post-1990 plantations.

(ii) The forestry and logging category referred to in Appendix D does not distinguish between activity in native forests, pre-1990 plantations or post-1990 plantations.

(2) The information presented in Appendix D does not distinguish between post-1990 and pre-1990 plantations and therefore no indication of revenue attributable to post 1990 plantations can be provided.

(3)-(4) Deforestation is defined as the deliberate human induced removal of forest cover and replacement with pasture, crops or other uses. Forestry and forest harvesting do not result in deforestation unless there is a resultant change in land use from forest to non-forest land use.

Deforestation in Tasmania produced emissions of 2.7 million tonnes of carbon dioxide equivalent in 2006. Total Australian emissions for deforestation in the same year amounted to 62.9 million tonnes of carbon dioxide equivalent.

The Green Paper notes that the majority of deforestation emissions are associated with conversion of forest land to agriculture (principally cattle grazing), with smaller proportions from clearing for purposes such as urban development. However there are significant information constraints to developing more accurate estimates of deforestation emissions attributable to different land uses.

(5) The Government does not propose to include deforestation in the Carbon Pollution Reduction Scheme. These emissions have therefore not been allocated to an industry sector.
Renewable Energy
(Question No. 727)

Senator Milne asked the Minister representing the Minister for Resources and Energy, upon notice, on 29 August 2008:

(1) How will the Government ensure that there will be no technical issues when adding 20 per cent of renewable energy to the grid.

(2) Has the Government commissioned any studies into the impacts of adding extra renewable energy onto the grid and its interactions with existing generators; if so, do the studies include the following:
   (a) scenarios where several intermittent generators decreased output simultaneously;
   (b) the frequency of events where renewable output could change significantly and quickly;
   (c) the possibility that renewable generator output may have to be limited due to limitations of existing generators;
   (d) the possibility that renewable generation output may have to be limited at times of low demand;
   (e) the possible effects on the economics of deploying further renewable generators should output be constrained; and
   (f) any changes in the current market structure of purely least cost dispatching to allow for the provision of dedicated support generation like gas turbines which operate to allow more renewable generation to participate.

(3) Will the Government commit to sponsoring development of a high-fidelity stationary electricity generator and electricity market simulation package that will allow the impacts of likely future generator mixes to be examined and allow a better planned transition to low carbon generation; if so, will the simulation tool be developed as open source software to allow maximum flexibility, transparency and use, especially by other countries who could also use it to plan their transition to low carbon generation.

Senator Carr—The Minister for Resources and Energy has provided the following answer to the honourable senator’s question:

(1) The Australian Government is considering technical matters relating to the introduction of the 20 percent Renewable Energy Target. These matters are a necessary part of the Australian Government’s work on the design of the Renewable Energy Target.

The Australian Government has also considered these matters in association with state and territory governments through the Ministerial Council on Energy. The Ministerial Council on Energy has directed the Australian Energy Market Commission to review electricity and gas market frameworks in light of the Australian Government’s new climate change policies. This review must be finalised by September 2009.

(2) The Australian Energy Market Commission’s review will examine adjustments that may be required within existing energy market arrangements to accommodate both the Renewable Energy Target and the Carbon Pollution Reduction Scheme. This will demand examination of the market arrangements that may be required to facilitate the uptake of renewable generation, including intermittent generation technologies such as wind power.

I note that the Ministerial Council on Energy initiated investigations into the impact of large-scale wind generation on the National Electricity Market in 2004. Since that time, significant work has been conducted on technical and market arrangements to enable wind generation to participate more effectively in the market.
The operator of the National Electricity Market—the National Electricity Market Management Company—has conducted extensive work in these areas and has designed new generation dispatch arrangements to better integrate wind generation under the market’s current economic model. These arrangements will take effect in 2009.

(3) The need for any future market simulation tool will be considered when the Australian Energy Market Commission’s review of electricity and gas market frameworks is completed and when the fundamental design aspects of the Carbon Pollution Reduction Scheme and Renewable Energy Target are finalised.