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SITTING DAYS—2008

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

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

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
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<th>Party</th>
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<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
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<td>30.6.2011</td>
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(1) Chosen by the Parliament of South Australia to fill a casual vacancy vice Amanda Eloise Vanstone, resigned.
(2) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Ian Campbell, resigned.
(3) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

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

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

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

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

<table>
<thead>
<tr>
<th>Position</th>
<th>Minister/Senator/MP</th>
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<tbody>
<tr>
<td>Minister for Home Affairs</td>
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</tr>
<tr>
<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
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<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Minister for Superannuation and Corporate Law</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<td>Minister for Youth and Minister for Sport</td>
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<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
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<td>Parliamentary Secretary for Defence Procurement</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>Parliamentary Secretary for Defence Support</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
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<td>Hon. Anthony Byrne MP</td>
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<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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SHADOW MINISTRY

Leader of the Opposition

Hon. Malcolm Turnbull MP

Deputy Leader of the Opposition and Shadow Treasurer

Hon. Julie Bishop MP

Leader of the Nationals and Shadow Minister for Trade, Transport, Regional Development and Local Government

Hon. Warren Truss MP

Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate

Senator Hon. Nick Minchin

Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate

Senator Hon. Eric Abetz

Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design

Hon. Andrew Robb MP

Shadow Minister for Foreign Affairs and Manager of Opposition Business in the Senate

Senator Hon. Helen Coonan

Shadow Minister for Finance, Competition Policy and De-regulation and Manager of Opposition Business in the House

Hon. Joe Hockey MP

Shadow Minister for Energy and Resources

Hon. Ian Macfarlane MP

Shadow Minister for Families, Housing, Community Services and Indigenous Affairs

Hon. Tony Abbott MP

Shadow Special Minister of State and Shadow Cabinet Secretary

Senator Hon. Michael Ronaldson

Shadow Minister for Human Services and Deputy Leader of The Nationals

Senator Hon. Nigel Scullion

Shadow Minister for Climate Change, Environment and Water

Hon. Greg Hunt MP

Shadow Minister for Health and Ageing

Hon. Peter Dutton MP

Shadow Minister for Defence

Senator Hon. David Johnston

Shadow Minister for Education, Apprenticeships and Training

Hon. Christopher Pyne MP

Shadow Attorney-General

Senator Hon. George Brandis SC

Shadow Minister for Agriculture, Fisheries and Forestry

Hon. John Cobb MP

Shadow Minister for Employment and Workplace Relations

Mr Michael Keenan MP

Shadow Minister for Immigration and Citizenship

Hon. Dr Sharman Stone MP

Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts

Mr Steven Ciobo MP

[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
CONTENTS

WEDNESDAY, 24 SEPTEMBER

Chamber

Business—

Consideration of Legislation ................................................................. 5419
Broadcasting Legislation Amendment (Digital Television Switch-over) Bill 2008 ....... 5419
Migration Legislation Amendment (Worker Protection) Bill 2008—
First Reading ............................................................................................. 5419
Second Reading ....................................................................................... 5419

Notices—

Presentation ............................................................................................. 5424

Business—

Rearrangement ....................................................................................... 5424
First Home Saver Accounts (Further Provisions) Amendment Bill 2008 ............... 5424
First Home Saver Account Providers Supervisory Levy Imposition Bill 2008—
Second Reading ..................................................................................... 5424
In Committee .......................................................................................... 5447
Third Reading ....................................................................................... 5454
Temporary Chairmen of Committees ...................................................... 5456
Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008—
First Reading ......................................................................................... 5456
Second Reading ...................................................................................... 5456

Business—

Consideration of Legislation .................................................................. 5458
Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 ............... 5459
Offshore Petroleum (Annual Fees) Amendment (Greenhouse Gas Storage) Bill 2008...... 5459
Offshore Petroleum (Registration Fees) Amendment (Greenhouse Gas Storage) Bill 2008 ................................................................. 5459
Offshore Petroleum (Safety Levies) Amendment (Greenhouse Gas Storage) Bill 2008—
Second Reading .................................................................................... 5459

Matters of Public Interest—

National Association for the Prevention of Child Abuse and Neglect ................. 5476
Emissions Trading Scheme ................................................................. 5478
Petrol Prices ......................................................................................... 5482
Emissions Trading Scheme ................................................................. 5484
Child Abandonment ............................................................................. 5484
Carers ................................................................................................ 5488

Questions Without Notice—

Age Pension ......................................................................................... 5490
Economy .............................................................................................. 5492
Age Pension ......................................................................................... 5493
Nuclear Waste Repository ................................................................. 5495
Australian Federal Police Raid ............................................................ 5497
Economy .............................................................................................. 5498
Economy .............................................................................................. 5499

Distinguished Visitors ........................................................................ 5501

Questions Without Notice—

Age Pension ......................................................................................... 5501
Broadband .......................................................................................... 5502
Tasmania: Whale sighting ...................................................................... 5506
Questions Without Notice: Additional Answers—

Age Pension .......................................................... 5506
Canberra Airport ..................................................... 5506
Budget ............................................................... 5506
Hansard .................................................................. 5506

Questions Without Notice: Take Note of Answers—

Age Pension .......................................................... 5507
Nuclear Waste Repository ....................................... 5513

Notices—

Presentation .......................................................... 5514

Committees—

Fuel and Energy Committee—Meeting .......................... 5517

Notices—

Postponement ......................................................... 5517
Executive Salaries ..................................................... 5517
World Day Against the Death Penalty .......................... 5518
Environmental and Natural Resource Management Guidelines ............................................. 5519

Stolen Generations Reparations Tribunal Bill 2008—
First Reading ........................................................ 5519
Second Reading ..................................................... 5520

Matters of Public Importance—

Age Pension .......................................................... 5522

Committees—

Privileges Committee—Report .................................... 5537
Scrutiny of Bills Committee—Report ............................. 5542
Foreign Affairs, Defence and Trade Committee—Report ............................................. 5543

Auditor-General’s Reports—

Report No. 4 of 2008-09 .............................................. 5545

Committees—

Rural and Regional Affairs and Transport Committee—Membership ................................. 5545

Same-Sex Relationships (Equal Treatment in Commonwealth Laws—
General Law Reform) Bill 2008—
First Reading ......................................................... 5546
Second Reading ....................................................... 5546

Auslink (National Land Transport) Amendment Bill 2008—
First Reading ........................................................ 5550
Second Reading ..................................................... 5550

Business—

Rearrangement ........................................................ 5551

Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008—
Second Reading ..................................................... 5551

Business—

Rearrangement ........................................................ 5553

Excise Legislation Amendment (Condensate) Bill 2008 ...................................................... 5553

Excise Tariff Amendment (Condensate) Bill 2008—
Second Reading ..................................................... 5553

Questions Without Notice: Additional Answers—

Age Pension .......................................................... 5564

Documents—

Australian Research Council ........................................ 5565
Consideration ......................................................... 5566
CONTENTS—continued

Adjournment—
  Workplace Relations ................................................................. 5566
  GROCERYchoice Website ......................................................... 5568
  Workplace Relations ................................................................. 5571
Documents—
  Tabling ................................................................................... 5573
Questions On Notice
  Satellite Technology—(Question No. 566) .................................. 5575
The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers.

BUSINESS

Consideration of Legislation

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

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

AusLink (National Land Transport) Amendment Bill 2008
Australian Research Council Amendment Bill 2008
Safe Work Australia Bill 2008

Question agreed to.

BROADCASTING LEGISLATION AMENDMENT (DIGITAL TELEVISION SWITCH-OVER) BILL 2008

MIGRATION LEGISLATION AMENDMENT (WORKER PROTECTION) BILL 2008

First Reading

Senator LUDWIG (Queensland—Minister for Human Services) (9.31 am)—At the request of Senators Conroy and Chris Evans, I move:

That the following bills be introduced:

A Bill for an Act to amend the law relating to broadcasting and for other purposes; and

A Bill for an Act to amend the law relating to migration, and for other purposes.

Question agreed to.

Second Reading

Senator LUDWIG (Queensland—Minister for Human Services) (9.32 am)—I table the explanatory memoranda relating to the bills and 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—

BROADCASTING LEGISLATION AMENDMENT (DIGITAL TELEVISION SWITCH-OVER) BILL 2008

The Broadcasting Legislation Amendment (Digital Television Switch-over) Bill 2008 makes amendments to the Broadcasting Services Act 1992 to enable the Government to set a staggered, region-by-region digital switch-over timetable for the transition to digital-only television. It implements the Government’s policy to achieve digital switch-over by the end of 2013.

The switch-over to digital-only television represents the most fundamental change in broadcasting in Australia since analog television began over 50 years ago.

Digital television provides benefits to viewers including additional channels, and improved picture and sound quality. The spectrum made available by switching off analog television, known as the digital dividend, has the potential to be used for a wide range of new services.

A firm timetable to implement switch-over will provide certainty for consumers and industry in the transition to digital. This bill provides the mechanism for the Government to set a final switchover timetable which will conclude by 31 December 2013.

At present, switch-over dates are set in relation to television broadcasting licence areas, by setting the so called “simulcast period” – for the simultaneous transmission of analog and digital signals.
within a licence area. At the end of the simulcast period, analog transmissions would cease while digital transmissions continue.

The simulcast period is currently set to end on 31 December 2009 in metropolitan areas, and 31 March or 31 December 2011 in non-remote regional areas, depending on the licence area. The simulcast period for a licence area can be extended by regulation, but not shortened. It is widely accepted that these dates are not appropriate for a smooth transition to digital-only television.

The bill allows the Minister for Broadband, Communications and the Digital Economy to determine, by legislative instrument, local market areas for switch-over, and switch-over dates for those markets. Similarly, the Minister can determine the switch-over date for a television licence area by setting the simulcast period for that area. This will mean that, if appropriate, some areas could switch off analog earlier than currently permitted. It also allows geographical areas smaller than television licence areas to be the basis of a switchover timetable. This will allow the Government’s switchover program to better reflect local market conditions and circumstances.

The bill also provides for switch-over dates for a particular area to be varied by up to three months before or after the date originally determined by the Minister. This will allow the Government’s switchover program to better reflect local market conditions and circumstances.

In exceptional circumstances the switch-over date may be extended beyond the six month window for a particular area where there are significant technical or engineering reasons and where those circumstances could not have reasonably been foreseen six months before the determined date by one or more of the broadcasters in that area.

The bill requires that all regions must have switched over by 31 December 2013.

Given the complex technical issues involved, responsibility for overseeing digital television switch-over in remote licence areas will be retained by the Australian Communications and Media Authority. Consistent with metropolitan and non-remote regional areas, the bill requires switch-over in remote licence areas to occur by 31 December 2013.

The bill sets firm dates for the timing of two statutory reviews. The reviews concern the content and captioning rules applicable to commercial television multi-channels, and the allocation of new commercial television broadcasting licences. The reviews are currently set in relation to the first switch-over day. A firm date provides certainty for the timing of the reviews and reflects the Government’s firm date for the completion of switch-over.

The bill requires that all regions must have switched over by 31 December 2013.

In addressing Australia’s skills shortage, the first priority of the Rudd Government is equipping our own workforce, our own people, to meet the skill requirements of industry.

In the 2008 Budget the Treasurer announced that the Rudd Government is making a $19.3 billion investment in education and training to ensure we continue to provide employment and training opportunities for Australians.

However, while investing in the education and training of Australians is crucial, it will not deliver the skills employers need now. Over the last five years Australian employers have increasingly turned to the temporary skilled
migration program to bring in the skilled workers they need.

However, the sudden growth of the scheme in recent years, coupled with its expansion into lower-skilled occupations and increasing numbers of workers with lower levels of English language skills have placed new pressures on the integrity of the Subclass 457 visa program.

Community confidence in the scheme suffered under the previous government following a series of well publicised abuses of workers on Subclass 457 visas.

The negative perception of the Subclass 457 visa program is a very serious problem for the employers and industries that rely heavily on it. The economy desperately needs access to temporary skilled labour, but this is only sustainable if the community is confident that temporary overseas workers are not being exploited or used to undermine local wages and conditions.

That is why the Rudd Government is placing such a high priority on both improving the responsiveness of the Subclass 457 visa program and restoring integrity to the program.

On the seventeenth of February this year we announced a package of migration measures designed to help alleviate Australia’s skills and labour shortages and ease inflationary pressures including:

- adding 6000 places to the general skilled migration program;
- expanding the reciprocal working holiday visa program for young people;
- allowing working holiday makers who work for at least three months in the construction sector to apply for a further working holiday visa; and
- appointing an external reference group to advise how temporary work visas could contribute to the supply of skilled labour.

The external reference group has since reported, making sixteen recommendations, fifteen of which have either been implemented or are being implemented. The other one is the subject of ongoing consideration.

At the same time the Government moved to index the Minimum Salary Level (MSL) by 3.8 percent, as the MSL had been frozen for over two years. This adjustment took effect from 1 August 2008, and will apply to new temporary skilled migrants coming to work in Australia, as well as those who were already in the workforce.

In April this year I also appointed Ms Barbara Deegan, seconded from the Industrial Relations Commission, to conduct a broad review into the integrity of the temporary skilled migration program. Ms Deegan has released three discussion papers, and will report to me next month.

Her recommendations will inform the development of longer term reforms to the 457 visa program that will be brought forward in the 2009/10 Budget.

The Worker Protection Bill that I am introducing today complements action that the Rudd Government has already taken to boost the integrity of the 457 visa program.

The bill will introduce a new framework for the sponsorship of non-citizens seeking entry to Australia.

The new framework will strengthen the integrity of temporary working visa arrangements, including the existing Subclass 457 visa program.

This will be achieved through four main measures:

- providing the structure for better defined sponsorship obligations for employers and other sponsors;
- improved information sharing across all levels of government;
- expanded powers to monitor and investigate possible non-compliance by sponsors; and
- the introduction of meaningful penalties for sponsors found in breach of their obligations.

It is intended that in the first instance the new framework will apply only in relation to non-citizens sponsored for temporary visas with work rights.

In the longer term, the new sponsorship framework could cover all visas, including permanent visas, for which sponsorship is a requirement.

The Government recognises that temporary skilled migration is a complex issue with many stakeholders.
This is why the Government has established a Skilled Migration Consultative Panel comprising representatives from State and Territory governments, the business community and other industrial stakeholders.

The Panel will provide advice and informed feedback on reform proposals based on a sound appreciation of the issues and the impacts these issues have on business, the Australian workforce and the broader community.

The Panel has an important role to play in respect of the first measure I am now going to explain in more detail.

This measure goes to redefining the obligations that sponsors enter into when bringing to Australia a worker from overseas.

Scope for better defined obligations
The bill proposes to amend the Migration Act to provide that the Migration Regulations 1994 may specify the obligations to which particular classes of sponsor will be subject, together with when those obligations apply and how they may be satisfied.

The bill itself does not specify the obligations for two main reasons:

• first, as I explained earlier, there will be a need to prescribe additional obligations as more visas are brought within the new sponsorship framework; and
• second, a high degree of flexibility is essential for the efficient and effective program operation over time in a dynamic area such as this.

Specifying sponsor obligations in the Migration Regulations will also afford the Government the opportunity to consider advice provided by the Consultative Panel and Ms Deegan before finalising the detail around each particular obligation.

The bill itself does not specify the obligations for two main reasons:

• lead to effective and efficient identification of non-compliance – this could be done for example by obliging sponsors to cooperate with monitoring by the Department of Immigration and Citizenship;
• discourage inappropriate use of temporary skilled visa programs – this could be done for example by obliging sponsors to reimburse the Commonwealth for location, detention and removal expenses should the visa holder abscond;
• provide an effective price signal to encourage the hiring and training of Australian citizens and permanent residents; and, most importantly
• protect overseas workers from exploitation.

Improved information sharing
The existing provisions for the disclosure of information have proved insufficient for effective and efficient operation of the temporary skilled migration program. For example, the Department cannot at present lawfully collect contact details of Subclass 457 visa holders from larger employers for the purpose of providing those visa holders with information about their rights and entitlements in Australia.

The amendments proposed in the bill expand the range of circumstances in which the information may be shared between the Department, the sponsor and the visa holder.

These amendments will ensure that the three parties involved in the program will be adequately informed of each others circumstances.

The bill also makes provision for the sharing of information about sponsors and visa holders with prescribed Commonwealth, State and Territory agencies.

This will facilitate a cooperative whole of government approach to business compliance.

Expanded investigation powers
The amendments proposed in the bill will give specially trained employees of the Commonwealth the power to monitor compliance with program requirements, including the redefined obligations.

These officers will be known as Inspectors and will be appointed by the Minister for Immigration and Citizenship.

Inspectors will be able to conduct site visits as well as requesting relevant documents from sponsors in writing within specified timeframes.

The powers of these Inspectors will be substantially the same as the powers of Workplace In-
spectors of the Workplace Ombudsman under the Workplace Relations Act 1996. These include powers to:

- enter premises without force;
- inspect things;
- interview persons; and
- require production of documents.

Failing to cooperate with a written request for production of a document will be made an offence punishable by a maximum of 6 months imprisonment.

Let me give you an example of how the two measures I have just outlined may be used to improve business compliance.

An officer of the Workplace Ombudsman exercising powers of inspection under the Workplace Relations Act 1996 and who has also been appointed an Inspector under the Migration Act 1958 may enter the workplace of a corporate sponsor of Subclass 457 visa holders. The officer could simultaneously investigate compliance with workplace relations and migration requirements. This could reveal, for example, whether the sponsor had been complying with an obligation under immigration law to pay the visa holder at least a minimum amount in the course of the visa holder’s employment.

Incidentally, the officer may also observe questionable occupational health and safety practices at a particular worksite which could be referred to the State agencies with responsibility for such issues.

A subsequent investigation by the State agency could also reveal serious non-compliance about which they may notify the Department of Immigration and Citizenship, subject to the agency’s own restrictions on the disclosure of such information.

Where notified, the Department could then take complementary sanction action where this is appropriate which would strengthen program integrity.

This action could include barring the sponsor from sponsoring more workers under the program for a certain period, as appropriate.

**Penalties**

The existing administrative sanctions, one of which I just referred to, have proven insufficient to encourage compliance in all circumstances, particularly amongst sponsors who only ever intend to use the relevant visa program once.

The amendments proposed in the bill introduce a civil penalties framework to actively discourage non-compliance.

This will allow civil legal action to be taken against sponsors who are found in breach of the redefined obligations found in the Migration Regulations.

The maximum penalty per offence, which will be determined by a Court taking into account all relevant circumstances, is six thousand six hundred dollars for an individual and thirty-three thousand for a body corporate.

Alternatively, the bill provides for the issuing of infringement notices in lieu of taking civil legal action. This will operate like other infringement notice regimes.

The maximum penalty per infringement notice is equal to one-fifth of the maximum civil penalty.

These new tools will complement existing tools utilised by the Department in enforcing sponsorship obligations.

**Summary**

To summarise, this legislation will strike an appropriate balance between:

- facilitating the entry of overseas workers to meet genuine skills shortages,
- preserving the integrity of the Australian labour market, and
- protecting overseas workers from exploitation.

The better defined sponsorship obligations that will be found in the Migration Regulations will deliver greater clarity to both sponsors and overseas workers.

Improved information sharing and expanded investigative powers will better equip government to identify non-compliance without unduly imposing on business.

Civil sanctions will then give the Department another tool for effectively managing non-
compliance and preventing the exploitation of workers from overseas.

The bill deserves the support of all members of this Parliament.

I commend the bill to the chamber.

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

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

NOTICES
Presentation
Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.33 am)—by leave—I give notice that, on the next day of sitting, I shall move:

That a message be sent to the House of Representatives requesting that the House immediately consider the Urgent Relief for Single Age Pensioners Bill 2008.

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

That government business order of the day no. 1 (Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008) be postponed till a later hour of the day.

Question agreed to.

FIRST HOME SAVER ACCOUNTS (FURTHER PROVISIONS) AMENDMENT BILL 2008
FIRST HOME SAVER ACCOUNT PROVIDERS SUPERVISORY LEVY IMPOSITION BILL 2008

Second Reading
Debate resumed from 17 September, on motion by Senator Sherry:

That these bills be now read a second time.

Senator BERNARDI (South Australia) (9.34 am)—The first home saver accounts and the Housing Affordability Fund are designed to support Australians saving part of their income in order to buy their own home. The coalition supports measures that will improve savings. Any government initiative designed to tackle the current decline in housing affordability is certainly most welcome. We often hear of Australians facing mortgage pressures. However, it is becoming increasingly difficult for young families to afford their first home. First home saver accounts are intended to provide a tax-effective way for Australians to save for their first home. The coalition welcomes these well-intentioned initiatives. As such, we supported the scheme in June of this year.

The First Home Saver Accounts (Further Provisions) Amendment Bill 2008 will implement the remaining aspects of the scheme. The coalition will be supporting this bill, thereby making the system operable, but we have a few comments and a couple of reservations. There can be no doubt that many Australian families are dismayed over rising housing costs. One of the goals for every parent is to see their children being able to afford their own home. I notice there are many students in the gallery today. We would like to see all of them able to afford their own home and able to save in a tax-effective way throughout their lives.

Families and young people really do need every help that government can give them, so that they can continue to save and afford their own home. This was recognised by the former coalition government when last year it committed to a similar scheme, but the scheme we advocated was more flexible in its administration. As well as this, under the coalition proposal last year, children could be account holders allowing for a more substantial deposit to be built up over a longer period, all in a tax advantaged environment,
thereby encouraging a culture of saving from a very young age. This is an area particularly close to my heart as I devoted a considerable amount of my pre-parliamentary life to encouraging savings for children.

The coalition’s proposed scheme last year was to introduce tax-free home saver accounts to provide a simple, tax effective way to help Australians save for their first home. In contrast to Labor’s policy, the coalition’s proposal was to have two types of accounts, one being a tax-free home saver account for children and the other a tax-free home saver account for adults. Under the coalition’s policy, tax-free home saver accounts for children were to be available to all Australians under the age of 18. Parents, grandparents and others wishing to contribute up to a total of $1,000 between them each year could place money into an account. What better way to demonstrate to children the benefits of saving and planning for the long term? The appeal of this initiative was not only that it would have changed the future financial potential of our children but also that contributions would have been tax deductible and savings in the account would have been available to purchase a first home any time after the account holder turned 18.

The coalition recognised the difficulties faced by first home buyers then, and we acknowledge and we recognise the difficulties that continue to confront first home buyers now, which is why we will be supporting the amendments to the First Home Saver Accounts scheme. However, there are factors within the Rudd government’s First Home Saver Accounts scheme that present some concern. The scheme does not really address the decline in housing affordability. The first home saver accounts will not reduce the prices of houses or land. They will allow people to accumulate a deposit in a tax effective manner but they do not go to addressing the real substance of the problem, which is housing affordability. Mr Rudd and Mr Swan can spin this scheme any way they choose, but their government is not tackling the cause of the growing problem—that is, the actual factors contributing to high house and land prices.

This scheme does not address the limited land supply that is a result of restrictive land release policies of state and local governments. In some states—and South Australia, of which I am a proud senator, is one—the Land Management Corporation now has a for-profit objective, and so they have an incentive to reduce the release of the supply of land, which is the significant, substantial cost for first-time buyers. It is an appalling situation and it is something that, quite frankly, this legislation does not address. It makes a mockery of the cooperative federalism model that the Rudd government has championed so loudly.

The principal reason for rising house costs is that the land supply has been restricted and this has caused prices to rise accordingly. We also have enormous government taxes, fees, levies, charges and compliance costs—all adding enormously to the cost of new housing. We are advised that these now represent a quarter to a third of the cost of a new house and land package. A quarter to a third of the cost of a new house and land package is taken up in taxes, fees, levies, charges and compliance costs—unnecessary burdens in many instances. The Rudd government’s first home saver accounts will not solve the housing affordability problem because they will not increase the supply of affordable homes. They will only increase the amount of money that potential home buyers will have to spend. If all potential home buyers participated as fully in this scheme as they possibly could, they would all be on a level playing field, which would only drive the cost of first homes up in an inflationary market because
they would all be there at the same starting point and would be able to bid accordingly.

The first home saver accounts are currently restricted at $75,000. As a result, with the Rudd government failing to address the actual cause of increasing housing prices, we can expect house prices over the longer term to continue to rise, and this figure of $75,000 as a percentage of a house price will steadily decrease in relation to the overall cost of purchasing a home. There are also restrictions in this bill on accessing the saved money for a period of four years. That in some instances may restrict people from purchasing a home at the best possible time in the property cycle. We may see a market turn. We may see that many first home savers miss out on a key opportunity to buy. We also recognise that the government will pay a contribution of 17 per cent of the up to $5,000 saved each year. This is a flat rate for everyone involved in the scheme, so it stands to reason that those on high incomes who can save the most amount of money will get the most benefit and will be able to compete more effectively in what is currently a very tight property market.

Problems associated with this include the clause in the bill that the individual must deposit $1,000 over four separate financial years in order to be able to withdraw their money. This can present difficulties for some individuals. I understand that there is an incentive to encourage people to save in a continuing and ongoing manner. But if people put money into these accounts and for some unforeseen or unexpected reason they cannot continue to put $1,000 aside for four separate financial years, they would have no access to their money. If their plans change or their circumstances change, they cannot access their money unless they roll their money into their superannuation and take their chances with early release provisions.

As well as these factors, the first home saver accounts cannot be used to purchase property until after 2012, because you have to have them for four years and the scheme does not take into account those who have already commenced saving for their first home. We should be offering every support to those people who have been doing the right thing in a non-tax-advantaged environment. Of course, those who are on low incomes or in debt are obviously in no position to save and they will not benefit from the scheme. They have once again been overlooked by the Rudd government.

The first home saver accounts will have to be easily accessible and understandable for young people in order for the scheme to carry out what it is designed to do. The fact that we are revisiting this scheme and making amendments to it indicates that it was not well considered in the initial instance. Every additional layer of complexity in the regulatory framework will not only reduce the return to savers but reduce the participation of savers, diminish competition and decelerate the arrival of these important and valuable products onto the market.

Whilst the coalition supports the amendment bill, there are some concerning factors. We call on the Rudd government to further investigate these issues in the near future for the benefit of young Australian families. The coalition will work cooperatively to see benefits for young Australian families and to help those who want to do the right thing and save for their first home. We want homebuyers in this country because there is no greater investment in one’s family than giving them a place called home. We will be supporting these bills, as I have indicated, but we believe that the Rudd government should be doing more.

**Senator LUDLAM** (Western Australia) (9.45 am)—The Greens will be supporting
the First Home Saver Accounts (Further Provisions) Amendment Bill 2008 and the First Home Saver Account Providers Supervisory Levy Imposition Bill 2008. The bills make some minor legislative amendments to support the smooth functioning of the government’s first home saver accounts. The primary legislation implementing this policy was passed with the support of the Greens, so we will not be opposing these bills. The first home saver accounts are a central component of the government’s efforts to address housing affordability and homelessness. I note that the scheme will absorb around half of the $2.2 billion of new funding that the government has allocated to address housing affordability and homelessness. For this reason it is important to recognise the limitations of the scheme and to make sure that our resources are properly targeted.

The median house price has increased from four times the average annual income to six to seven times that income. It has created housing stress right through the market and it has made it harder for people to get into their first home. The rental market is also becoming untenable for many, with one in 10 low-income households in private rental spending more than half of their income on housing. In May 2008 the Minister for Housing announced that 100,000 Australians were homeless. Given the gravity of these problems and the enormous impact that they are having on the lives and welfare of so many Australians, it is critical that the government channels public resources toward solutions that will have the greatest impact and will target the greatest need.

First home saver accounts have the potential to assist first home buyers to save for a deposit on a home loan and thereby avoid getting into trouble with undercapitalised mortgages that they cannot afford. This is undeniably helpful for people who can afford to contemplate purchasing a house. Because the savings in first home saver accounts can only be withdrawn to purchase a first home, rolled into superannuation or withdrawn when the account holder turns 60, they are really only of use to people with enough money to seriously contemplate purchasing a house or who can afford to divert a portion of their income to long-term savings in order to benefit from this government contribution. As the government contribution is a percentage of the amount saved, those people who can afford to contribute more will receive greater government assistance. As there is no means testing, there is nothing to prevent people who have sufficient financial means to secure a home loan unassisted from still benefiting from this scheme.

The eligibility criteria exclude people who have previously built or purchased a house to live in, but they do not exclude people who own a house that they built for investment purposes. The 15 per cent tax rate on earnings from a first home saver account is good for higher income earners who ordinarily have their income taxed at a higher rate, but is not beneficial for lower income earners who may have all of their income taxed at this rate anyway.

As Senator Bernardi pointed out, first home saver accounts do not address the shortage of supply of affordable housing, yet they have the potential to increase demand in the medium term when account holders are able to access their funds and seek to make a purchase. In isolation, increased demand obviously has the potential to further inflate house prices. Essentially, the first home saver accounts assist largely the same people who are already eligible for a first home owners grant, which is estimated to cost the Commonwealth an additional $1 billion in 2008-09. It is worth while assisting people to purchase their first home and assisting them to get on a financially sustainable footing, but I would argue that spending half of the
$2.2 billion of new money allocated to housing affordability and homelessness in the 2008-09 budget on this scheme is quite disproportionate and does not give due regard to the grave need of those people who are simply too poor to benefit from a measure such as this—notably, people struggling to meet the cost of private rental accommodation and people without a home at all.

The people experiencing the most serious housing stress are low-income families in private rental accommodation. According to a study commissioned by the Australian Housing and Urban Research Institute, 65 per cent of low-income private renters are experiencing housing stress at the moment. Approximately half of private renter households in housing stress experience severe housing affordability problems. That means they are forced into making decisions they would not otherwise make, such as missing meals or letting kids miss out on school activities. The Salvation Army reported to the recent Senate inquiry into housing affordability that the vast majority of clients seeking assistance from their emergency relief centres were in private rental accommodation and were paying on average slightly more than half of their entire income on housing. As the Australian Housing and Urban Research Institute study observed, many in private rental no longer aspire, or are no longer able to aspire, to homeownership.

I welcome the fact that the government is pursuing measures to address these needs through the National Rental Affordability Scheme and the Housing Affordability Fund and by building homes for the homeless. These are important initiatives and they are a welcome indication of the government’s concern for people in housing stress, but they are not receiving anywhere near the same degree of public funding as the first home saver accounts. In order to provide some more resources for these measures, I will be moving two simple amendments in the committee stage which are aimed at targeting first home saver accounts at those most in need. The Greens would like to see this measure means tested and targeted so that it cannot be accessed by people who already own an investment property. The money saved should be directed to those in greatest need who cannot afford to yet purchase a home—low-income earners in rental accommodation and homeless Australians.

Senator Polley (Tasmania) (9.51 am)—I rise to speak on the First Home Saver Accounts (Further Provisions) Amendment Bill 2008 and the First Home Saver Account Providers Supervisory Levy Imposition Bill 2008. The financial pressures faced by first home buyers have increased, with the price of an average home rising more quickly than the average annual wage and first home buyers spending a greater proportion of their total income on mortgage repayments than at the beginning of the decade. Housing affordability, as measured by the Housing Industry Association, is at record lows, with mortgage repayments for the typical first home buyer now consuming 31.7 per cent of their gross income compared to 17.9 per cent in 1996.

On 4 February 2008, the Rudd Labor government confirmed its 2007 federal election commitment to establish first home saver accounts to assist Australians aged 18 and over to save for their first home. This measure will be welcomed by those who are struggling with high rent—people who are desperately trying to save what they can out of their weekly budgets for a house deposit. The First Home Saver Account Providers Supervisory Levy Imposition Bill 2008 will enable the minister to impose a separate levy on first home saver account providers. This proposed legislation is consistent with the existing financial sector levy framework that funds the Australian Prudential Regulation Authority.
Authority supervisory activities on a user pays basis. First home saver accounts provide an additional mechanism for individuals in which a family can save for their first home in which to live. They are an important part of our plan to tackle the housing affordability crisis.

These two bills implement additional parts of the government’s election commitment to assist people to save for a deposit for their first home. Accounts can be provided by banks, superannuation funds, building societies, life offices and credit unions. Specifically, the two bills establish a levy to recover the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission and the Australian Taxation Office costs of regulations that mirror the current retirement savings account model and an unclaimed moneys provision that will be consistent with those applicable to other financial products.

On 8 February this year, a consultation paper was released outlining the proposed features of the accounts and how they would operate. The government undertook an extensive consultation process, which concluded on 7 March this year, and sought comments from the community and industry on the detail of the accounts. The government received 150 submissions from individuals, businesses and organisations. In response to the issues and suggestions raised during the consultation period, the Rudd Labor government has made a number of changes to improve the design features of the accounts. Some of the key changes include: the government will contribute 17 per cent on the first $5,000, indexed, of individual contributions made each year; an overall account balance cap of $75,000 has been introduced; and the upfront contribution of $1,000 has been removed. The government has maintained the taxation incentives—investment earnings or interest that accrue in the accounts will be taxed at 15 per cent and withdrawals will be tax free where they are used to purchase a first home to live in.

According to official statistics, it has never been harder for first home buyers to purchase their first home in Australia. The average home now costs seven times the average annual wage, up from four times the average annual wage just 10 years ago. Nationally, first home buyers, as I mentioned earlier, are now spending 31.7 per cent of their total income on mortgage repayments, up from 17.9 per cent in 1996. The proportion of homes being bought by first home owners declined from 21.8 per cent in June 1996 to 17.1 per cent today. That is why this measure is so important.

The Rudd Labor government has a national housing affordability strategy. Federal Labor’s First Home Saver Account scheme is a key component of that strategy. First home saver accounts will work in conjunction with federal Labor’s existing $1.1 billion worth of commitments to increase the supply of affordable first homes and rental properties. They include the Housing Affordability Fund, which will increase housing supply by providing money for local infrastructure, and incentives for state and local governments to lower development charges. The National Rental Affordability Scheme will provide investors tax incentives to increase the supply of new affordable rental properties across Australia, saving 50,000 low- to middle-income families 20 per cent on their rental bills. And we will introduce a better approach to land release, with all surplus Commonwealth land being freed for housing development or community infrastructure. This measure is to be commended and welcomed by those opposite, as it will help young people to save for a deposit for their first home. It will help young families.
Rising housing prices and higher interest rates over the last three years, have increased financial pressures on households and made it harder to save for a first home. Homeownership is important to the wellbeing of Australians. We need to do all we can to make the dream of homeownership a reality. First home saver accounts are the first of their kind in Australia and will provide a tax-effective way for Australians to save for a first home in which to live through a combination of government contributions and lower taxes.

Saving for a house deposit and maintaining a loan is difficult for young families. That is why the Reserve Bank of Australia’s interest rate cut earlier this month was so welcomed by mortgagees. For some homebuyers it was their first experience of a rate cut, after the 10 consecutive interest rate rises experienced under the Howard coalition government. Families across my home state of Tasmania certainly welcomed the recent 0.25 per cent interest rate cut by the Reserve Bank. This cut took pressure off family budgets. It was the first interest rate cut for seven long years—seven long years of worry and stress for families; seven long years of wondering how to make ends meet. For the average mortgage, the interest rate cut will put more than $500 a year back into the family budget—and, for many Australians, much more than that. For 740,000 first home buyers, this is the first time they have experienced an actual reduction in their mortgage payments.

There is no doubt that the economic challenges that we are facing in Australia today are significant. Labor inherited an economy which has suffered nearly 12 years of neglect from those opposite and was hit with 10 interest rate rises in a row—including eight rises in three short years. Families are still hurting from these increases in interest rates. Those 10 interest rate rises also had a huge impact on the level of economic activity in Australia. Furthermore, when the Rudd Labor government was elected in November last year, inflation was running at a 16-year high.

In 2006, the now opposition leader, the member for Wentworth, Malcolm Turnbull, told families that high inflation was a ‘fairy story’. Unlike those opposite, those of us in the Rudd government have no intention of sticking our heads in the sand and hoping these challenges will go away. We have not hidden from economic challenges in the past and we will not hide from them today.

Our Prime Minister, Kevin Rudd, has made it clear to the Australian people that we acknowledge the various economic challenges we are up against and that we are determined to address them. We have been and will continue to be upfront with the Australian people, giving them the honest answers they deserve. The Rudd Labor government believes in governing for the future; it believes in laying the foundations for the nation’s long-term prosperity. We do not believe in short-term bandaid measures. We, unlike those opposite, have a plan for the future. I am confident and I have every confidence in the Prime Minister and Treasurer Swan to guide us and the Australian people through these tough times.

We have hit the ground running in many areas—in particular, housing affordability. The previous government did not even have a housing minister. Why? Because they did not care about families struggling to make ends meet. In March 2006, housing affordability stood at four times the value of the average annual wage. When those on the other side left office at the end of 2007, it was 7½ times the value of the average annual wage. That is a huge decline in real housing affordability for working families.
We have a practical plan of action to do something about a real need for working families. Our Housing Affordability Fund has been met with much appreciation from the community. I note that the Australian Local Government Association has welcomed the government’s announcement already. Its president, Councillor Paul Bell, said:

We are pleased that funding can be made available to help councils facilitate affordable housing projects. We are particularly grateful that the Australian government are prepared to fund community infrastructure related Housing Affordability Fund projects.

I support this package of bills because I want people in my home state of Tasmania to have the opportunity to buy a home. As Prime Minister Kevin Rudd said in question time on 15 September this year:

The government, in building an Australia for the future, is determined to ensure that whatever can be done to preserve the dream of Australians to one day own their own home does not just remain a dream but can still be a reality.

A home provides security. Home ownership carries with it a raft of social and economic benefits that directly affect individual and family stability, security and capacity. I support these bills because these measures will work towards ending the housing crisis.

Senator HUMPHRIES (Australian Capital Territory) (10.02 am)—I too support the legislation which has been tabled to assist first homeowners by establishing first homeowners savings accounts. But I am a little less enthusiastic about the outlook for first homeowners than Senator Polley is. I recognise that the legislation which the government has tabled in this area changes one small part of the equation that homeowners, particularly first home owners, face. But I also acknowledge that there are huge pressures in other areas and this measure, of itself, will only go a very small way towards reducing the present struggle that many Australians encounter in being able to afford their own homes.

The fact is, as Senator Polley has noted, that housing affordability has become more difficult in recent years because of a complex range of factors. No one decision of government, or no one omission or neglect by government, has led inexorably to homes becoming less affordable than they once were. But we can point to a number of key factors. One of those is that the supply of new land into the Australian marketplace has become more and more restricted.

It is clear, and this was identified by a recent Senate inquiry, that state governments had pursued a deliberate policy of limiting the amount of land that they released into the marketplace for new homes. Not every homeowner looks for a greenfields block of land to build their home but a very significant proportion of them do just that. If state governments make the deliberate decision to reduce the amount of land that they put into the marketplace for the purposes of allowing new building to occur, it increases the cost of the land that they do actually release and that pushes up the cost of homeownership.

We can see in areas all over metropolitan Australia, particularly Sydney, Melbourne, Brisbane, the Gold Coast and elsewhere, that the decisions of state governments to restrict that pipeline of land onto the marketplace has had a very significant inflationary effect on the cost of land. The cost of a block of land anywhere near urban areas in this country these days is very much higher than it was just 10 or 15 years ago. That has a flow-on effect.

You might ask why governments would choose to restrict the amount of land that they release. Well, of course, governments receive returns from the release of that land. When those returns are maximised because the price is pushed up, the return to the gov-
ernments concerned is that much greater. This is very evident in the case of the Australian Capital Territory, where the government in this territory has made a quite deliberate decision to restructure the land release program to greatly restrict the amount of land being released in this territory with the effect that, first of all, the price of new blocks of land has risen dramatically in the last 10 years and, secondly, many people have been pushed to crossing the border into New South Wales to find affordable land. It is quite ironic that a Labor government in this territory would force people to go across the border to find housing that they can afford, but that is exactly what has happened in this territory. It is not alone in doing so.

Also, the costs to government associated with the purchase of land have increased quite dramatically in recent years. We have seen very little attempt by state governments to adjust, for example, thresholds at which stamp duty is paid for the purchase of housing. So, as the price of housing has gone up, people are finding themselves having to pay more and more in stamp duty to be able to make that purchase. Other fees, levies, charges and compliance costs have been rising and, in almost every case, that goes to state governments; sometimes it goes to local government but, in all cases, it is government that is benefiting from those higher costs. Indeed, governments across this country have been reaping increasingly larger amounts from taxes and charges relating to housing.

That might all be excusable and understandable if that enormous dividend to governments was being ploughed back into affordable or public housing in some form or another, but we know that that is not the case. We are also aware that the amount of public housing available to Australians across the country has been, at best, stagnant or, in real terms, diminishing in recent years. Despite the investment of over $1 billion by the Commonwealth government in the Commonwealth-State Housing Agreement over a number of years, we have seen no net increase in the amount of housing available to Australians in the category of public housing. It might be a good thing, in some sense, that people are leaving public housing and making the decision to buy their own homes outside the public housing system. But it also obviously puts pressure on that system when more people are being effectively forced out of public housing because of the unavailability of suitable accommodation.

I note Senator Polley’s views about how iniquitous it is that housing has become less affordable to Australians in recent years. But I have to say that I do not share Senator Polley’s view that somehow this can be sheeted home to the former coalition government, because our contribution to that situation was to increase the real living standards of Australians by increasing real wages in Australia by some 20 per cent. That was our contribution to making Australian housing more affordable. But we were working against state and territory governments, which were at the same time pushing up the cost of housing. There was a very real transfer going on there from the Commonwealth to the state and territory fiscs by virtue of that sleight of hand.

The First Home Saver Accounts measures before the Senate at the moment do go some small way towards helping Australians to cope with those higher costs but, as I have indicated, they are far from being the complete answer. We appreciate that mortgage pressures are very difficult to cope with and that getting your first toehold in the marketplace is a real challenge. Being able to put together the money for a deposit is extremely important and it is a welcome development to see the measures in this bill put that more within the reach of average Australians.
I do note, however, that this measure is an echo of the measure that was announced by the coalition during last year's election campaign. One of the features of the coalition's proposal was that there should be two types of accounts available to potential first home owners: the first a tax-free home saver account for adults and the second a tax-free home saver account for children. People might well wonder why children need home saver accounts, but the fact is that those children will grow up and they will aspire, like every other Australian, to own their own homes. Their capacity to do so will be enhanced if they have some money behind them. These days children will need to face the costs of higher education and so having the money put aside in a quarantined form by way of a first home saver account is actually a very good idea. It also offers the possibility for parents, grandparents and others to contribute to that account. Being tax free, they would help those children to reach adulthood with some backing behind them within a reasonable period of becoming adults. In my opinion, that is a superior model for providing affordable housing to Australians. That has not been taken up by this government, but I commend the idea to them. It is not too late to come back and to look at the question of how we might make housing more affordable in the long term to Australians.

In addition, I note that the first home saver accounts are restricted to $75,000. The Rudd government is not addressing with this measure the actual cause of increased house prices and so we can expect there to be further pressure on that figure as time goes by. This figure as a percentage of the cost that people will have to incur in getting into their own homes will steadily decrease in relation to the overall house price. At the end of the day, it will need to be adjusted. There does not appear to be a mechanism within the legislation to do that. I expect that the government will have to revisit that question as housing continues to rise in cost.

There is a restriction on accessing the saved money for four years—meaning that, should the market turn, many first home savers may miss a key opportunity to enter the marketplace, and that is always unfortunate. The government will pay a contribution of 17 per cent of up to $5,000 saved each year. That is a flat rate across the board for everybody. It does not vary on the basis of one's existing needs. Those on high incomes will be able to compete more effectively in an already tight property market. It was a little bit surprising to see a Labor government introduce a measure of that kind without any sort of progressive nature. As I say, we foresee some issues that will need to be readdressed when the government sees the operation of this scheme in practice. It could be that, in due course, amendments will be required. Problems potentially include the clause that the individual must deposit $1,000 over four separate financial years in order to be able to withdraw their money.

We are aware that Australia is entering a period of financial uncertainty. People these days are more likely to face the prospect of unemployment than they were just 12
months ago. We see the prediction in the budget this year that over 100,000 Australians are expected to join the dole queues. If you happen to be one of those Australians and you have perhaps put one or two years deposit aside pursuant to the terms of this scheme and you find yourself unemployed and unable to contribute in the third year or the fourth year, your capacity to withdraw from the scheme is thereby limited. I think that represents a serious limitation on the way in which this operates. If people’s plans change, they cannot access their money until they roll the money into their superannuation and take their chances with early release provisions, and we know that there are many problems associated with the way in which that works.

The scheme being set up at the moment, effectively requiring a four-year qualification period, means that these measures will not benefit any first home purchasers until 2012. For people who are already in the process of saving for their first home these measures will not be of particular benefit. A great deal of work needs to be done by this government to ensure that it puts in place a really changed outlook for Australian first home owners. I think cheap lines like, ‘We’ve got a minister called the housing minister in this government,’ and, ‘We’ve turned the corner on housing affordability because we’ve got a person called the housing minister in this government,’ really do not give credit to Australians’ understanding of this issue or create any real expectation that we can make a difference with policy such as this.

The fact is that we as a government did care very deeply about homeownership and the capacity of people to be able to afford to buy their own home; hence our decision to ensure that Australians were able to take advantage of a rising economic tide, to benefit from increasing levels of employment and to take advantage of rising levels of real wages, and those measures were rolled in together to ensure that the outlook for Australians was much brighter. In one sense, the growing wealth of Australians would have had some flow-on effect to the price of housing. It is somewhat inevitable, I suppose, that the wealthier people are overall, the more expensive housing becomes in reaction to that marketplace.

But it was not helped one iota by seeing state governments respond to that problem by starting to deliberately push up the cost of housing in order to be able to effectively transfer that benefit from the pockets of taxpayers into their own coffers. I hope that in the present environment, where housing affordability has become more tight, where Australians are facing the prospect of falling living standards and higher unemployment, state governments will review those policies and push more land out into the marketplace to address the problem of the high costs associated with buying that first block of land to build that first house. That, I think, is an appropriate response to Australians’ desire to see that dream of first home ownership continue and to preserve the very high levels of homeownership that we experience in this country relative to other parts of the world.

To sum up, very clearly the opposition will not stand in the way of a valuable measure such as this, which presents a possibility for Australians to take forward a dream of being able to own their own homes. Putting money aside in an account like this, which is tax free and protected and for which incentives are offered, is a really important measure to be able to make a real difference, but it is not the entire answer.

Before we hear other Labor senators rise in this place and tell us how much we have turned the corner by virtue of putting this measure in place, let me remind them that this is a very long-term and very complex
whole-of-government task that must be shared with governments at other levels in Australia. I think the Rudd Labor government would do well to put the issue of greater housing affordability on its agenda for future COAG meetings and meetings of the relevant state and territory ministers councils to make sure this issue is not neglected. I suspect a great deal could be done through the persuasion of state ministers to release some of the land which they have tied up in land banks at the present time to improve affordability through measures such as that.

Senator XENOPHON (South Australia) (10.20 am)—I rise to support the First Home Saver Accounts (Further Provisions) Amendment Bill 2008 and related legislation. I note that this bill is essentially an administrative bill to impose a levy in order to finalise the government’s First Home Saver Accounts scheme and that it imposes this levy to provide funding for APRA to carry out supervision of financial institutions which offer this scheme. So in that sense I welcome it.

I want to make some brief remarks in relation to the importance of housing affordability. Clearly there has been a decline in housing affordability. We have seen in recent years a spike in house prices in a number of markets, including, in South Australia, the Adelaide market, where housing affordability is becoming increasingly difficult for young people who are not in the housing market and who do not have the benefit of being able to sell their existing home with significant capital gains in order to buy another home. It is become increasingly difficult.

I think one of the bedrocks of a good society is to ensure that we have high levels of homeownership, but for too many young Australians in particular and those who, through changed life circumstances, find themselves in the real estate market again this dream has become a nightmare. I think we need to pause to reflect briefly on the implications of a drop in the homeownership rate, on what that means for us as a society in terms of people giving up on buying homes, not getting into the market and deciding to spend their income on other items rather than what I consider to be a bedrock in society: having that home and having that foundation in a community.

I agree with Senator Humphries that there are many other things that can be done. I see this move by the government as a good first step. But I think it is important that we consider not just land release but also planning laws. I am not a great subscriber to the view that you simply have increased urban sprawl in terms of the carbon footprint and in terms of the impact that has on the environment.

In Adelaide, Madam Acting Deputy President, as you may well be aware, before World War II about 46,000 people lived in the City of Adelaide in what was known as the ‘square mile’. Now there are something like 22,000 people living there, fewer than half as many as 70 years ago and significantly fewer than, for instance, at the turn of the century. There is no reason why Adelaide has not got the capacity to have many more people living in the CBD. The Adelaide City Council suggests going back to pre-World War II levels. I think we should be bolder and go for a much more ambitious figure of up to, say, 100,000 people living in the CBD. That would involve the Commonwealth playing an active role—to put it bluntly, putting a rocket up state governments, who are dragging their feet on planning laws and, I think, standing in the way of allowing for environmentally sustainable, sensible developments that will allow for affordable housing, particularly in the CBDs of our cities and in transit corridors. There have been suggestions that that is the way governments
are going across the country, and I welcome that, but I think much more needs to be done much more quickly in order to deal with that problem.

So, whilst this legislation is welcome in order to anchor the package announced by the government with respect to this saving scheme, unless you tackle those fundamental issues of housing affordability, of planning laws, of the release of land and of affordable housing generally—for which state governments bear a great deal of responsibility in terms of rates, taxes and impositions on new developments—I think that we will simply be moving too slowly in increasing the levels of homeownership in this country and ensuring that young people actually have a fighting chance of getting into the housing market. With those brief remarks, I indicate that I support this legislation, and I hope it is a package of many measures that in the future will make a dramatic difference in our level of homeownership in this country.

**Senator McEwen (South Australia) (10.24 am)**—I seek leave to incorporate speeches on these bills by Senators Bishop, Carol Brown and McEwen.

Leave granted.

**Senator Mark Bishop (Western Australia) (10.24 am)**—The incorporated speech read as follows—


Both bills implement additional parts of the Government’s election commitment to help young people save for their first home.

As we are all aware, saving for your first home is very difficult. Individuals and young couples are just starting their careers. And income levels are yet to reach their peak. Under the previous government there was also 10 interest rate rises in a row.

As a result, around $400 per month was added to the mortgage of the average home. Interest rate rises exacerbate the affordability of home loans for people entering the market. Today average home loan repayments throughout Australia are over $2,000 per month. First home buyer mortgages have more than doubled in the last 12 years. Mortgages of a quarter of a million dollars for first home buyers are the norm.

No surprises there—given median house prices across Australian capital cities are now in excess of four hundred and twenty thousand dollars. It’s not hard to understand why there are declining numbers of first home buyers in the market. In 1991, first home buyers represented 20% of the market. Earlier this year that figure had fallen to just 16.4%. The great Australian dream of owning your own home is becoming more difficult. Australia has a long tradition of home ownership.

In the post war years returned soldiers and immigrants alike staked out their piece of land and built their homes. Home ownership offered security and stability. It still does. We want to keep the dream alive. We acknowledge the Commonwealth has a role to play and this Government has a strategy. Unlike the previous government we have made housing affordability a priority. We do not believe that housing policy should be left entirely to private developers and banks.

In order to have an effective policy which will address the housing needs of all Australian’s, its necessary to have a federal government that is interested and engaged in the policy debate. Making home ownership a reality for young people will require a shift away from rampant consumption and debt, with rental properties on the decline and in many cases rents very high, young adults have found that living at home is a far better option than moving out.

Why pay rent when by staying at home you can spend on yourself. When the time comes to buy a house, parents are increasingly refinancing to give the kids a start, particularly at a time when they thought they would be free of both the kids and their mortgage.

The family home has all the creature comforts. Of course there is the plasma TV in the bedroom, a wireless laptop, latest touch screen phone or PDA and an iPod. In the wardrobe is designer gear and
in the driveway a nice set of wheels. Now why would they want to move out?

With credit and charge card debt in Australia reaching almost $45 billion. A ten percent increase over the previous year. And five times the level of debt in 1998. We need to bring back the principal of saving.

In 1996, the cost of a new home represented some four times the average annual wage. Today the cost is closer to 7.5 times the average annual wage. Saving the deposit is half the battle. First home saver accounts are designed to give young people a step up into the property market.

But, home ownership is not just the great Australian dream. It forms the basis of social stability. And the value to our society extends far beyond the benefit to the individual.

In 1996 Hilary Clinton quoted an African Proverb—

“It takes a village to raise a child.”

The proverb means the responsibility lies not only with parents, but also with the extended family, and in some cases the community. It is something to consider as in this century we move towards a more mobile workforce.

With more people renting because of the high cost of housing. Members of the Australia Defence Forces for example, may choose to rent because of the excellent housing provided by the Defence Housing Authority, or because of the relatively short term nature of their postings. We also want people not in work to move to places where employment opportunities exist.

Not everyone will choose to purchase a home. However as a government we need to give strong support to home ownership. Because home ownership builds the communities that we live in. It forms the nucleus that promotes the development of schools and health services, libraries and family centres. Communities and the people who live in them provide us with support, security and friendship. Communities and the people who live in them educate our children in social responsibilities, and care for us as we age. But perhaps as importantly, home ownership builds wealth. As an investment it’s second only to superannuation in securing your future.

If you own your own home there is a fair chance you will do well in a country like Australia. But over the last decade we are seeing divisions in the housing market. There are some who own their own home and have made substantial in roads into their mortgage. Over the years there has been a dramatic increase in the value of their properties. So this group while increasing the equity in their homes, are also reaping the benefits of the capital appreciation of what in many cases is their primary asset.

On the other hand, we are seeing a generation who feel they are condemned to rent for the rest of their lives. Savings and a savings plan are the first steps in reaching the goal of home ownership. And the first home savers accounts will become a foundation for many who believe a home of their own is out of reach. It is hoped that for young people the accounts will help to develop and encourage a culture of saving.

The government will contribute a maximum of $850 per year to accounts. Or a total of $3,400 over four years. The maximum account value is $75,000 plus any accrued interest and government contributions. Investment earnings from the accounts will be taxed at 15 percent. Withdrawals from accounts will be tax free, so long as they are used to purchase a home to live in. The accounts will work in conjunction with the Housing Affordability Fund, which will assist local governments to reduce the cost of water, sewerage, transport and other services for new housing developments. Making more land available at a lower cost. These initiatives go some way to addressing the demand and supply issues that currently stop young people from entering the property market.

After a lengthy consultation process which began in February with the release of a discussion paper, and the announcement of the scheme by the Treasurer in the May Budget. First home buyers can sign up for saver accounts on the 1st October 2008. The intent of the two bills is to address further parts of the Government’s First Home Saver Account legislation.

The bills seek to:

- Establish a levy to recover the APRA, ASIC and ATO costs of regulation, in line with the current Retirement Savings Account model.
The levy, which is also attached to life insurers and superannuation funds will be set by the Treasurer each year.

- Implement a scheme for dealing with unclaimed money. The scheme will work in a similar fashion to non-superannuation investments. Where the account holder cannot be located the money will be paid to the Commonwealth after a period of seven years. However, account holders will be able to make a claim for their money at any time. This measure will reduce the compliance burden for providers, where accounts have been inactive for a considerable time.

- Amendments also go to secrecy and information sharing between the ATO, ASIC, APRA and the States and Territories. That is, it will provide access to information required by agencies, while ensuring privacy is protected. It also provides for information sharing between the Commonwealth and the states on first homebuyers.

- There are amendments to deal comprehensively with Family Law matters. The measures will ensure that in the event of a family breakdown, individuals will be able to access their partner’s Family Home Saving account, without the need to resort to costly legal proceedings.

These are all technical amendments. But they will give providers greater certainty of the final of the design scheme. In the Budget the Treasurer outlined more than $2 billion worth of initiatives to help families to get into their own home. They include -

- the $1.1 billion First Home Saver Accounts to encourage savings for home ownership,
- the $359 million Housing Affordability Fund that will deliver more homes, more quickly and at less cost,
- the $622 million National Rental Affordability Scheme that will build fifty thousand new rental properties; and
- a further $100 million has been allocated to build new homes for the homeless.

The initiatives address both the demand and supply problems that exist within our communities. The Housing Affordability Fund will address supply issues in getting housing development sites up. The First Home Saver Accounts tackle the demand problems by helping young people to save enough for a deposit. And the National Rental Affordability Scheme will provide affordable rental accommodation in our cities. This package of initiatives is a comprehensive start in addressing housing affordability. The previous government simply said, not our problem. I commend these bills to the Senate.

Senator CAROL BROWN (Tasmania) (10.24 am)—The incorporated speech read as follows—


These two bills deliver the final parts of the first home saver scheme, following the passage of the substantive legislation earlier this year.

When the First Home Saver Accounts Legislation was passed in June 2008 the Treasurer Mr Swan highlighted its importance to first home buyers when he said and I quote:

“The introduction of the First Home Saver Accounts marks an important new beginning in housing policy in Australia. The accounts will help young Australians to once again realise the dream of homeownership.”

Indeed in the lead up to last years election the now Government made addressing the Housing crisis in this country a priority, convening a housing affordability summit and committing to introducing a comprehensive package of initiatives, such as the first home saver initiative, aimed directly at making home ownership in this country more accessible and affordable.

This initiative reflects our commitment, to assisting Australians realise that the great Australian dream of home ownership—something that in recent times has become increasingly out of the reach particularly for younger Australians.

As most of us are well aware, the biggest challenge when it comes to home ownership in this country has traditionally been saving an initial
deposit. This remains true, perhaps more than ever.

As the Treasurer explained, the initiatives contained in this bill will provide a tax-effective way for Australians to save for their first home.

Any Australian, aged over 18 and under 65 will be eligible to open an account, so long as they have they not:

- previously purchased a home or built their first home in which they live,
- do not have or have not had previously a first home saver account and
- can provide their tax file number.

Personal contributions can be made by the account holder or any other party.

The account will be supported by government contributions, with the Government contribution being 17 per cent of the first $5,000 of contributions made into the account each year.

This will mean that the Government will give $850 to any first home saver account holder who contributes $5,000 a year.

The first home saver accounts are part of the Governments broader commitments to responsible economic management and assisting Australians with cost of living pressures.

Under this initiative the Government will invest around 1.2 billion over four years to help young Australians realise their dream.

These bills include the measures necessary to make the scheme operational.

These include:

- Amendments to ensure the secrecy provisions to enable Commonwealth agencies to share information they require in order fulfilling their statutory obligations, while ensuring the privacy of the account holder is protected.
- A scheme for dealing with unclaimed money in First Home Saver Accounts will be established. Under this scheme First Home Saver Accounts which have been inactive for seven years, and where the provider has been unable to contact the account holder, will be paid to the Commonwealth. Individuals who later identify themselves to the FHSA provider will be able to reclaim their money.
- Introducing a framework for imposing a levy on FHSA providers to provide funding for Australian Prudential Regulation Authority to carry out its supervision of financial institutions which offer FHSAs.

The Government is also introducing a number of other amendments to ensure the First Home Saver Accounts operate as they were intended. These minor amendments will allow existing laws to interact appropriately with the FHSAs.

The $1.2 Billion First Home Saver Accounts initiative is designed to assist Australians save money for the purchase of their first home, and, as I stated previously, these accounts will form only part of a range of measures this Government is implementing to deal with the current housing affordability crisis.

The Government has shown just how serious it is about tackling the affordable housing problem, by appointing the first ever Minister solely responsible for housing, the Hon Tanya Plibersek.

Since elected, the Government and Minister Plibersek have wasted no time on introducing measures aimed directly at improving housing outcomes for families, whether it be in terms of home ownership, accessing affordable rental properties, or in an increasing number of cases, quite simply ensuring that they actually have a roof over their head.

For many Australians, the family home or access to decent quality housing is a central tenet for many other aspects of life—providing stability, surety, a place in which to develop a sense of community and, of course, a place in which to establish a sense of pride.

For many Australians, many a happy memory has been forged in a place they have called home—whether it was teaching your child to ride a bike or making a home to raise your family, annual Christmas BBQs, or the establishment of successful veggie patch.

Indeed, access to affordable housing plays a crucial role in defining family, community and even national relationships.
In recent years however we have sadly seen a crisis in terms of access to affordable housing develop—with many aspiring home owners being squeezed out of the market and many more renters being unable to access affordable housing solutions.

The result? An increasing number of Australians suffering from what has been termed mortgage or rental stress - with a disproportionate amount of their income being consumed by housing costs.

Even worse is the situation for the estimated 100,000 people in Australia who are currently homeless, with no place to live.

The Rudd Labor Government has a comprehensive long term plan to address the shortfall of affordable housing; because we recognise that finding an affordable home is becoming more difficult in Australia.

As such we have invested $2.2 billion in a number of significant housing initiatives.

**National Housing Affordability Fund**

The first of these initiatives consists of a $512 million Housing Affordability fund to assist in the construction of new homes, making more affordable dwellings for those who need them.

This $512 million investment over 5 years is designed to provide a partnership with Governments and others across Australia to bring down infrastructure and holding costs for a new house in a new housing development across the nation.

The fund has placed an emphasis on proposals that improve the supply of affordable dwellings, we believe this will save home owners significantly as we will be providing the local investor with grants of up to $10,000 per home to reduce infrastructure barriers and holding costs associated with construction of a new home.

In my home state of Tasmania where affordable housing is such a critical issue the launch of the Housing Affordability Fund has been met with strong praise from, the then State Minister for Housing, the Hon Lara Giddings.

The Tasmanian State Government has already established a new Housing Innovations Unit to work with local councils and other stakeholders to investigate areas of Crown Land which may be available to utilise the Housing Affordability Fund, I am confident the State Governments Housing Innovation Unit and the Federal Governments Housing Affordability Fund will together be able to provide Tasmanians with more affordable housing.

Application guidelines for the Affordability Fund were recently announced by Minister Plibersek and the Prime Minster.

At the launch of the guidelines, the Prime Minster emphasised that aim of the fund was to encourage the building of much needed housing developments for Australians.

**National Rental Affordability Scheme**

As part of its plan to tackle housing affordability the Government has also announced, the National Rental Affordability Scheme, which will see the Government invest $623 million over the next four years to help stimulate construction of affordable rental properties.

The rising cost of rent has placed increased financial pressure on working families, so this Government will increase the number of affordable rental dwellings available whilst also reducing rental costs for low-to-moderate income households.

The National Rental Affordability Scheme delivers on an election commitment we made to the Australian people last year, by encouraging large scale investment and innovative delivery of affordable housing to try to ensure up to 50,000 affordable rental properties are built over the first four years.

The scheme will be delivered in two phases, with a two year establishment phase from July 2008 which will involve the construction of 11,000 homes and an expansion phase from 2010 to 2012 involving 39,000 homes.

The Government has also made a commitment that if the demand from renters and investors remains strong we will make available a further 50,000 homes from 2012.

To drive this scheme we are offering institutional investors and other eligible bodies annual tax incentives or a grant every year for a period of up to 10 years to ensure the production of these affordable rental homes.
To be eligible for a property built under the National Rental Affordability Scheme, tenants need to be low or moderate income earners, earning below a defined income limit.

We believe this scheme will provide many Australians struggling with the rising costs of rent the chance to live in an affordable rental home.

Homes for the Homeless
Also in our battle to provide housing for all Australians the Government will invest $100 million over the next four years, and another $50 million in 2012/13 to build 600 new homes for the homeless.

This investment forms part of the Government’s A Place to Call Home strategy, the homeless will be able to move directly into housing instead of going into refuges and will receive tenancy and support services.

The A Place to Call Home strategy will help the homeless break the cycle of moving in and out of homeless support services and help them re-establish themselves in society.

Minister Plibersek has also released a Green paper, on homelessness, and conducted extensive consultation, with the White Paper due out this month which will set out the Governments plan of action to tackle homelessness until 2020.

Increasing the supply of land
Finally, the Government is also currently in the process of implementing its election commitment to release surplus commonwealth land for the purpose of building new houses and communities.

With a report due in the New Year, this promises to provide another means of tackling the housing affordability crisis.

In support of this, Minister Plibersek earlier this year announced the appointment of Dr O’Donald as the inaugural chair of the National Housing Supply Council.

The Council is due to publish its State of Supply report to analyse the adequacy of rates of construction and land supply in Australia over the next twenty years.

The council will also contribute to the Government’s approach to the sale of surplus Commonwealth land.

Therefore the work of the council will enable the Government to better assess current and future demand for housing across Australia.

The Rudd Labor Government is aware of the large scale investment required to rectify the availability of affordable housing in Australia.

All of these initiatives form part of the Government’s comprehensive and coordinated approach tackling to the issue of housing affordability in Australia.

Such initiatives, including, of course, the one that is the key subject of this bill should be applauded.

Need I remind those opposite that this is in stark contrast to the situation the Rudd Government inherited a little over 10 months ago?

When this Government came to office housing costs had increased significantly and were spiralling out of control, it had become extremely difficult for Australians to purchase their own home.

Indeed when taking over office at the end of last year the average cost of an Australian home had increased to a staggering 7½ times the average annual wage.

This is in stark contrast to 1996, when the average cost of a home then was four times the annual average wage.

This represents a dramatic increase in the cost of housing, the Government recognised how out of reach owning your own home had become to average Australians, so we set about introducing measures to ensure owning your own home once again become accessible to working Australians.

In the last decade under the watch of those opposite, we have also seen the average mortgage for a first home buyer double from $107,000 in 1996 to reach $248,000 by the end of last year. Back in 1996 mortgage holders were spending 15.2 per cent of their total income on repayments, by the end of last year this had risen to upwards of 30 per cent.

These figures highlight how in the last decade there has been a huge increase in what first time home buyers were having to outlay for the purchase of their first home. With this in mind the Government decided to introduce First Home Saver Accounts to help encourage personal sav-
ings whilst also providing some extra financial help to first time home buyers.

Before introducing the First Home Saver Accounts the Government wanted to receive public feedback to ensure the best system possible, so earlier this year we released a consultation paper outlining the proposed features of the accounts and how they would operate.

In seeking comments on the paper the Government received over 150 submissions from individuals, businesses and organisations.

The Rudd Labor Government undertook a comprehensive consultation process, the feedback we received was extremely helpful to provide more effective public policy. In response to the issues and suggestions raised by the various stakeholders during the consultation process a number of improvements have been made to the FHSAs.

The scheme is in the final stages of preparation and will become operational on the 1 October 2008, we hope the scheme will encourage all Australians to save for a deposit for their first home, we believe that the accounts will assist people to make disciplined savings to invest in the great Australian dream, of owning your own home.

The First Home Saver Account provides an extremely effective and fiscally rewarding program for first home buyers, a couple earning average yearly incomes both putting aside 10 per cent of their income into individual FHSAs after five years would be able to save a deposit of more than $88,000.

As the program demonstrates disciplined saving can provide average Australians with a wonderful opportunity to save a substantial amount for use as a deposit for the purchase of their first home.

The Government’s First Home Saver Accounts are a critical measure to help provide Australians with more affordable housing options.

Therefore I commend this bill to the chamber and ask for its full support.

**Senator McEWEN (South Australia)**

(10.24 am)—*The incorporated speech read as follows—*

Over the last decade it has become increasingly difficult for people to purchase a home. The rising cost of living has hit many Australians hard and it is our responsibility to ease this pressure as much as possible. Australians suffered under the 10 interest rate rises that occurred under the Liberal Party and while they suffered, the Liberal Party wasted taxpayer money on their spending sprees.

When Labor came into Government, Government spending was running at between four and five per cent growth on the part of the Coalition. We have reduced that to just on one per cent.

If we had continued this irresponsible spending, at the same growth level that the Howard Government had it running at for the last several years, it would have cost taxpayers an extra $23 billion worth of outlays. Another $23 billion of taxpayers’ money would have been blown away.

Those opposite spent recklessly with the money of the Australian public and the damage that recklessness has caused to this economy is still evident today.

Thankfully, families were able to breathe a slight sigh of relief when the Reserve Bank of Australia’s recently made an interest rate cut. This is the first time families have had a rate cut in 7 years. For 740,000 first time buyers, this is the first time they have experienced any mortgage relief at all. Families and the Government expect banks to pass on this rate cut as quickly as they passed on the 10 consecutive rate rises under the Liberal Party. Australians need to feel the benefit of this cut.

Every economy in the world today is facing tough economic conditions. The global credit crunch and global oil price shock have buffeted confidence and share markets and are slowing global growth. Wall Street stocks have tumbled and consumer confidence across the OECD economies has fallen to its lowest point in almost 30 years.

Here at home, we have seen the cost of living soar and the reality of this is that people are not only struggling to put food on the table and fill their petrol tanks, they are struggling to put a roof over their head. No one does it tougher than the homeless.

According to the Australian Bureau of Statistics report Counting the Homeless Australia 2006, the number of Australians who sleep rough rose by...
16 per cent in the five years between 2001 and 2006.

The report showed there were 105,000 Australians who were homeless on Census night in 2006, up from 99,900 in 2001 with 16,000 rough sleepers in 2006, up from 14,000 five years earlier.

The report shows a shift in the type of households who are becoming homeless—with more couples and families becoming homeless and slightly fewer singles. Addressing homelessness is a major priority for the Government, and we have already announced an additional $150 million to build new homes for homeless Australians under A Place to Call Home.

The Government released its Green Paper on homelessness in May and is currently developing a White Paper to set the agenda for tackling homelessness to 2020. The White Paper is likely to be publicly released in early October.

Labor is not only dedicated to assisting those already homeless, it is also determined to prevent more Australians ending up on the streets. With more families becoming homeless, we have recognised that something must be done about housing affordability.

During the election campaign, Labor put forward a strong housing policy to assist Australians in keeping a roof over their head; these bills are a part of that. The Rudd Labor Government will invest around $1.2 billion over four years into the First Home Saver Account plan. One of the biggest barriers to home ownership is of course saving for a deposit; First Home Saver Accounts will assist people to get that deposit, providing a tax effective way for Australians to save for a first home through a combination of government contributions and low taxes.

For example, a couple each earning average incomes and both putting aside 10 per cent of their income into individual first home saver accounts would be able to save more than $88,000 after five years. Consumers who receive these accounts will benefit in a number of ways. For example, any contributions made to these accounts will not be subject to tax and investment earnings or interest will be taxed at a minimal rate of 15 per cent and withdrawals from a first home saver account will be tax free where they are used to purchase a first home to live in.

Contributions may be made to the account by the account holder or by another party, such as an employer, on behalf of the account holder. The government will make additional contributions which will be paid directly into the account after the individual has lodged their tax return and the provider has submitted the relevant information to the Australian Taxation Office. The government will contribute 17 per cent of the first $5,000 indexed for individual contributions made each year. This means an individual contributing $5,000 will receive a government contribution of $850.

A wide variety of providers will be able to offer these accounts, including public offer superannuation providers, life insurers, banks, and credit unions. Banks, building societies and credit unions will be able to offer deposit accounts and superannuation providers, life insurers and friendly societies will be able to offer investment linked accounts. Over the first three years, federal Labor’s First Home Saver Accounts will help around half a million people with their first home purchase.

The impact and benefits of Labor’s first home saver accounts extend further than just those individuals. Labor’s First Home Saver Accounts will also help boost national savings, with these accounts anticipated to hold around $6 billion after the first three years of operation.


The First Home Saver Accounts (Further Provisions) Amendment Bill 2008 includes various provisions to make the scheme operational. These include:
• a system for dealing with unclaimed money;
• amendments to secrecy and information sharing provisions between the ATO, APRA and ASIC; and
• dealing comprehensively with family law situations.

The system for dealing with unclaimed money will be similar to the way other non-superannuation investments are currently administered. Accounts which have been inactive for seven years, and where the provider has been unable to contact the account holder, will be paid to the Commonwealth. Individuals who later identify themselves to the account provider will be able to reclaim their money. These provisions will ensure that First Home Saver Account providers are not required to service small, inactive accounts, reducing the burden on providers.

The Life Insurance Act 1995 (section 216) and the Banking Act 1959 (section 69) provide for the treatment of money, in a life insurance company and bank account respectively, which become unclaimed.

These Acts generally provide that a policy or account which is inactive for seven years becomes unclaimed money and is to be paid to the Commonwealth. Without amendments, these Acts would apply to FHSA provided by life insurance companies and banks. Because of the particular requirements in those Acts, this makes it doubtful whether the Commonwealth would be able to pay unclaimed moneys back to the bank or life insurance company unless the account holder had satisfied the FHA withdrawal rules, including the four-year rule in the main case of a home acquisition payment.

The amendments to the secrecy and information sharing provisions will ensure the secrecy provisions enable Commonwealth agencies to share information they require in order to fulfil their statutory obligations, while also ensuring the privacy of account holders is protected.

Part of these changes is to do with the exchange of information between the Commonwealth and the States and Territories. In each State and Territory, the Commissioner of State or Territory Taxation administers the State or Territory’s First Home Owner Grant Acts. State or Territory Commissioners do extensive compliance work in relation to the grants, including whether home buyers do actually live in the homes that they buy. Having access to this information would clearly provide great assistance to the Commissioner in the administration of First Home Saver Accounts, particularly in terms of compliance work.

These amendments are necessary to make that information sharing possible. They put in place provisions that will enable the Commissioner to provide First Home Saver Account information to State and Territory taxation officers in instances where First Home Owner Grant information can be provided in return.

A number of changes will be made so that Family Law situations are dealt with effectively. Currently, if a First Home Saver Account provider accepts a contribution which breaches the account balance cap, it can be returned to the account holder within 30 days, and the account provider will not commit an offence. This is not an appropriate outcome where the contribution is a result of a family law obligation. An amendment is being made to allow the account provider in such cases to return the contribution to the account provider from which the contribution came.

To ensure payments and contributions to superannuation made under a family law obligation are treated the same as other payments and contributions, a number of provisions are being modified to refer only to payments or contributions from a First Home Saver Account, rather than referring to the sections under which the payments or contributions are made.

An amendment is made to ensure account providers who act in good faith in relation to a family law obligation will not be liable for loss or damage. The Government wants to ensure that these accounts create no disadvantage to any party.

The Government acknowledges that there are likely to be medium implementation costs for providers who choose to offer FHSA. For this reason the design of the initiative as reflected in the law has sought to minimise compliance costs for account providers.

The second bill we are debating today, First Home Saver Account Providers Supervisory Levy Imposition Bill 2008, imposes a levy in relation
to the provision of first home saver accounts. It also establishes the administrative framework for the collection of these levies to fund Australian Prudential Regulation Authority’s role in the supervision of the accounts.

The levy will be collected from the 2009-10 financial year and will have two components: the restricted component (related to the cost of supervision) and the unrestricted component (related to potential system impact and vertical equity considerations). Both components are determined as a proportion of assets, with minimum and maximum limits for the restricted component.

The bill does not set the actual amount of the levies but only provides a formula for their calculation. The Treasurer must later determine the actual amounts and percentages to be used in the formula, with such figures to be contained in a disallowable legislative instrument.

Further demonstration of our commitment to making housing more affordable is the Housing Affordability Fund, guidelines of which were released last Monday. Local, State, and Territory Governments and private companies can now apply for grants from the Rudd Government’s Housing Affordability Fund to help reduce the cost of building new homes.

The Housing Affordability Fund is a Rudd Government initiative that invests $512 million over five years to target the planning and infrastructure costs that are incurred when building new housing developments.

Tens of thousands of new home buyers are set to directly benefit from the Fund, with savings coming from grants of up to $10,000 per home, reduced holding costs, and contributions from other levels of government.

The Fund will also address some of the other upfront costs faced by developers that are ultimately passed on to home buyers—like infrastructure charges for the installation of sewerage, roads, cycle-ways and parks.

State, Territory and local governments and private companies are all eligible to apply for grants. The Housing Affordability Fund is a critical part of the Australian Government’s housing strategy. The 2008-09 Budget included $2.2 billion in new housing affordability investments:

- $623 million National Rental Affordability Scheme to encourage the building of up to 50,000 new rental properties;
- $150 million Place to Call Home initiative to build hundreds of new homes for the home-less across Australia; as well as a
- $1.2 billion investment in the First Home Saver Accounts that we are discussing today.

These bills are a significant element of the Rudd Government’s plan to boost housing supply and assist those who need it most, particularly first home buyers and renters on low and moderate incomes. I commend the bills to the Senate.

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (10:24 am)—I rise to close debate on the First Home Saver Accounts (Further Provisions) Amendment Bill 2008 and the First Home Saver Account Providers Supervisory Levy Imposition Bill 2008. I want to thank all those senators who have participated in the debate. As has been pointed out—and I appreciate Senator Xenophon’s contribution—most of the comments made were made in an earlier debate about the initial bill, which established the parameters of operation of the first home saver accounts.

What we are dealing with here is two bills that relate to a range of prudential supervision and administrative operational issues of the first home saver accounts. So—whilst I thank senators for their contributions, which in the broad were very positive—many of the contributions we have heard consist largely of debate that occurred on the earlier piece of legislation, which has already passed the Senate chamber.

I have just a few remarks. Homeownership is important to the wellbeing of Australians, and the first home saver accounts will help Australians to once again realise the dream of homeownership. Briefly, an individual can open an account if they are aged 18 or over and under 65; have not previously purchased or built a first home in which to
live; do not have and have not previously had a first home saver account; and provide their tax file number to the provider. Personal contributions can be made by the account holder or another party and can only be made from after-tax income. Individual contributions are not taxed, as they are made from after-tax income. Government contributions are not taxed, and withdrawals to purchase a first home are not taxed.

The account is supported by government contributions. The government will contribute an extra 17 per cent on the first $5,000 of personal contributions made into the account each year, and this will be indexed to average weekly ordinary time earnings. This effectively means that an individual contributing $5,000 will receive a government contribution of $850. There is an overall account balance cap of $75,000, which is indexed to average weekly ordinary earnings. As a general rule, in order to access money to purchase a first home, personal contributions of at least $1,000 must have been made in each of at least four financial years. In addition, earnings on account balances are taxed at the account provider level at the statutory rate of 15 per cent rather than in the hands of the individual account holder at their marginal tax rate. So there are two significant advantages: the tax advantage on the earnings of the account balance and the government contribution of $850 where an individual contributes $5,000, which I referred to earlier.

First home saver accounts recognise that the biggest barrier to homeownership is saving for a deposit, and they provide a tax-effective way for Australians to save through a combination of a 17 per cent government contribution and a low 15 per cent tax rate on earnings. This will allow a couple, each earning an average income and putting aside 10 per cent of their income into an individual first home saver account, to save more than $88,000 after five years. If they were to save in the traditional way—through a bank account, credit union account or building society account—they would not receive the same level of tax concession or government contribution. So effectively they are able to save up to more than $88,000 after five years. This would be $13,000 more than they otherwise would have.

These two bills implement the final parts of the account saving scheme. The bills include a scheme for dealing with unclaimed money, for amendments to secrecy and information sharing between the regulators—the ATO, APRA and ASIC—and for dealing more comprehensively with the interaction between first home saver accounts and family law. The bills also include a framework for imposing a supervisory level to fund the Australian Prudential Regulation Authority’s supervision of each account provider on a user-pays basis.

The finalisation of the schemes by these two bills marks an important new beginning in housing policy in Australia. To update the Senate—I do not think this was known at the time of the initial bill—indications are that at least two of the four banks will be offering the accounts on 1 October 2008 and 16 other ADIs, including a large number of credit unions, have registered with APRA to offer first home saver accounts. These include the New South Wales Teachers Credit Union, with over 150,000 members, and the Defence Force Credit Union, with over 80,000 members. More broadly, this is part of our responsible approach to economic management, as it encourages young Australians to save. The government is investing around $1.2 billion over four years in the first home saver account, including administrative costs.

There is just one other issue I wanted to remark on in concluding the debate. I know it has come up today and during debate on
the original bill. That issue is the opposition’s contention that this should be extended to children. What has been created here is a medium-term savings vehicle. Some members of the Liberal opposition may not be aware of this but when they were in government they actually introduced children’s superannuation accounts. Regrettably, this was an absolute flop because, unfortunately, the behavioural response by parents and grandparents with respect to superannuation children’s accounts was that there was very little take-up. I spent a number of question times—

Senator Bernardi—You’ve just given up, have you?

Senator SHERRY—Fundamentally, the problem was that the behavioural response to a superannuation children’s savings account was never going to be effective.

Senator Bernardi—This is not a superannuation account.

Senator SHERRY—I accept that it is not a superannuation account, but it is first home saver account and, Senator, you are arguing that it has similar features to the superannuation children’s account. I know that you were not here, Senator Bernardi, but I asked quite a number of questions of Senator Coonan over a number of question times and at estimates, in an attempt to find out how many superannuation children’s accounts were opened. I could never get an answer. I know why I never got an answer. It was because, industry informed me, there were only three accounts opened for superannuation children’s accounts—hence my comments about the behavioural response.

We believe that we have established the appropriate parameters. We do not believe it is appropriate to extend it to children. The issue of children’s saver accounts in the superannuation context unfortunately—I do say ‘unfortunately’—is evidence that the take-up of children’s accounts would be very low in that area if it were adopted. I thank all senators for their contributions. I reiterate that we are investing $1.2 billion in this medium-term savings vehicle, the First Home Saver Accounts policy.

Question agreed to.

Bills read a second time.

In Committee

Bills—by leave—taken together and as a whole.

Senator LUDLAM (Western Australia)

(10.34 am)—As I foreshadowed in my remarks earlier, this amendment is designed to close what is essentially a loophole in the original bill, which would allow people who currently own an investment property to take advantage of these first home saver accounts. I think that is a somewhat perverse incentive through which people who have already had access to the wherewithal and the finances to purchase an investment property that they did not happen to be living in can still take advantage of these Commonwealth grants. The Greens do not believe that people who are in a position to own investment properties should be able to access this sort of funding. We think these funds should be targeted to the areas of most need, as I foreshadowed earlier. I therefore move Greens amendment (1) on sheet 5589:

(1) Schedule 1, page 3 (before line 15), before item 2, insert:

1A  Paragraph 15(1)(c)

Omit “at a time when the dwelling was the person’s main residence”, substitute “at any time”.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law)

(10.35 am)—I will respond on behalf of the government. We will not be supporting the Greens amendment. The first home saver account does not limit eligibility where an
applicant holds an investment property. To do so would be to impose a further regulatory and compliance requirement. Given the likely size of the issue that the Greens have raised, which I think would be very small in reality, we do not believe we should be imposing additional compliance requirements.

I might point out that I have been involved to a significant degree in the development of the disclosure documentation on these first home saver accounts, and the documentation that has been prepared is simple, readable, distinct and standardised, which I think is a very good thing. The more requirements we add, the more the disclosure document has to be added to, and that is a difficulty because the reading and understanding of disclosure documents more generally in financial services is not easy—and that is putting it mildly. We have attempted, and I believe achieved, a simple and standardised disclosure document. So, the more caveats, requirements et cetera that are added, the more difficult both compliance and disclosure become. I have a point to make in respect of a technical issue on means testing; I will get to that shortly. We do not support the Greens amendment on this occasion.

Senator BERNARDI (South Australia) (10.37 am)—The coalition will not be supporting the Greens amendment on this issue. While I recognise the very well-intentioned reason for it, we do not support increased regulation that might see a decrease in the uptake of these important first home saver accounts. I also make the point that people choose to save in many ways; and if they choose to save for and purchase an investment property, it adds to the availability of rental stock in the market and provides access to rental accommodation. That is very important and much needed in Australia today. If they are prepared to put that means of saving forward for themselves, they should also be able to avail themselves of a savings mechanism that is tax effective so that they can purchase a home for themselves as well as supplying a rental property for other Australians that are in need.

Senator LUDLAM (Western Australia) (10.38 am)—I find it pretty remarkable, actually, that a three-word amendment could increase the compliance burden. I honestly cannot see how, as the minister said, this would increase the compliance burden. Given that we are asking people to tell the department a fair bit about their financial circumstances in order to receive one of these grants, I honestly do not understand how this increases any compliance burden. As Senator Bernardi pointed out, we are not trying to restrict the uptake of first home saver accounts; we are trying to restrict them where they are needed most so that the scarce financial resources in the Commonwealth housing budget can go to the people who need them most. That is not, in my belief or the Greens’ belief, people who already have investment properties. I do find it strange that there would not be support for this simple amendment—but I do commend it to the chamber.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.39 am)—I understood we were dealing with just Greens amendment (1) but we seem to be dealing with both together. Is that right?

The TEMPORARY CHAIRMAN (Senator Crossin)—We are dealing with both bills, but Senator Ludlam has only moved amendment (1).

Question put:
That the amendment (Senator Ludlam’s) be agreed to.

The committee divided. [10.44 am]
(The Temporary Chairman—Senator PM Crossin)
Ayes………….  5
Noes………….  43
Majority………  38

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

NOES
Arbib, M.V.       Bernardi, C.
Bilyk, C.L.       Boyce, S.
Brown, C.L.       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.
Evans, C.V.       Farrell, D.E.
Feeney, D.        Fielding, S.
Fisher, M.J.      Forshaw, M.G.
Furner, M.L.      Hutchins, S.P.
Hurley, A.        Ludwig, J.W.
Johnston, D.      Marshall, G.
Lundy, K.A.       McEwen, A.
McEwen, A.        McCluskey, I.E.
Moore, C.         Nash, F.
Parry, S. *       Polley, H.
Pratt, L.C.       Ryan, S.M.
Sherry, N.J.      Stephens, U.
Sterle, G.        Troeth, J.M.
Williams, J.R.    Wortley, D.
Xenophon, N.      

* denotes teller

Question negatived.

Senator LUDLAM (Western Australia) (10.48 am)—I move Greens amendment (2) on sheet 5598:

(2) Schedule 1, page 3 (after line 27), after item 3, insert:

3A At the end of Part 8

Add:

132 Regulations providing for means testing of the annual Government contribution to be paid to an FHSA.

The Minister, by 30 November 2008, must provide by legislative instrument for the means testing of the annual Government contribution to be paid to an FHSA.

This amendment introduces a means test similar to other ways in which state and Commonwealth governments ensure that scarce funding is targeted at people most in need. We have introduced it by way of regulation, so we have not determined a threshold, but I expect that that would be commensurate with other forms of means tests where similar instruments are used in different legislation.

Basically, we are just making sure that the people who need this kind of assistance are the ones who receive it. At the moment I find it extraordinary that we would not be means-testing such a device. The people who simply do not need this kind of assistance would still be able to draw upon it, and that is money that we cannot spend on people in far greater need. So I commend this amendment to the Senate.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.49 am)—On the first argument that Senator Ludlam presented, the concept of means testing and the principle of means testing does apply widely through a range of social security and tax measures. But the government will not support this amendment.

In opposing the amendment I want to explain some of the practical difficulties. Although the means test may apply at the opening of the account—let us say that you were earning $30,000 today and you opened the account—an individual’s circumstances can and almost certainly would change in terms of their income over, say, the four years that they contribute to the account. Their pay may go up or their pay may go down. In fact, it is highly likely that their pay would go up over that four-year period because their employ-
ment and income circumstances would have changed.

If we were to adopt a means-test approach to the first home saver accounts, the consequence of that would be that the ATO would obviously have to monitor every individual’s change in income—and there would be a lot of people whose income would go up, and some would go down. Then it would have to make an adjustment to the government contribution, based on the means test. Administratively this would be extremely cumbersome. I know you have not designed the schedule of the phase-out of the contribution, or perhaps a phase-up of the 15 per cent contributions tax treatment, but, if you were to do that, implementing this, with individuals’ incomes going up in this way, on a medium-term savings account would administratively be very complex. We believe that on this particular account it is impractical and administratively very difficult.

The second issue that leads on to is that we would have to disclose this. A disclosure document will be issued to the individual when they open up the account. You would have to explain the means test and the way it would operate. In law you have to do that at the moment and, frankly, on this type of product I think it would be very difficult to explain to an individual the detail and the interaction of the means test. Even if you did and they read the disclosure document and understood it when they opened up the account, two or three years down the track I suspect it is unlikely that they would recall the details of the means test, and their pay will have gone up. Then they will look at their account and see that the government contribution has changed. They will say, ‘Why has the government reduced my contribution?’ They will not recall the details of the means test.

So whilst I am generally supportive of the means-testing approaches, in this case it adds very significantly to administrative complexity and disclosure complexity. This is a four-year savings horizon, and we believe that if you introduce this approach it would also have the adverse impact of reducing the take-up of the accounts. For example, for those who wanted to save over a shorter time frame than four calendar years, it would adversely impact on the take-up. They may want to save, I think, technically, over four financial years so in terms of calendar year time you could contribute at a minimum two financial years and two days—and I would have two double-check that. We just believe that, firstly, in terms of the administration of this and the impact, there would be very significant compliance costs and, secondly, the disclosure requirements and the variable impact on the government contribution and/or the tax treatment would certainly not be appreciated or understood one year, two years or three years down the track when the individual looked at their account and saw a different contribution from the government this year compared to, say, the last, and this would be the case even if it had been understood initially through reading the disclosure document. So for those reasons we are not supporting the means test of the first home saver account.

I have one final point, and it is a technical point. You remember Senator Ludlam was trying to insert a second section 131. I am advised that if this were successful—and I understand that the opposition are not supporting it—it would need to be redrafted in order for it to have any practical effect. I know that this government is keen to facilitate the passage of legislation and provide assistance—and if there is a technical issue that you believe needs some assistance, we are happy to provide that technical assis-
tance—but, notwithstanding that, we cannot support the amendment.

Senator BERNARDI (South Australia) (10.55 am)—The coalition will not be supporting this amendment, and not only for the reasons that Senator Sherry has outlined to do with the increased regulatory impact, the compliance burdens and the potential to deter people from taking up these accounts. I approach this from its purer form, I have to say, Senator Ludlam. Anything we can do in this country to support a culture of savings and encourage people to defer immediate gratification in support of a longer term goal I think is a very positive thing given the current economic environment and the ongoing challenges that the Australian economy is going to face as the population ages. We need people to take more responsibility for themselves.

Quite frankly, there is a reasonable limit of $5,000 on the contributions that can be made into this scheme and these accounts. I understand that some people will be able to afford to put $5,000 in and some people will not be able to afford to put $5,000 in, but, no matter what the circumstances, any money that people are putting away, I think, is a positive; and I think that should be encouraged from our perspective. I recognise your commitment to ensuring that this a fair and equitable process and I commend you on that, but I think that in this circumstance we need to have an entire approach across our community to encourage everyone to save as much as they possibly can and put aside for their own future.

Senator LUDLAM (Western Australia) (10.57 am)—Those are highly commendable statements. We are all for a culture of savings right across the board. But I would urge second thoughts, I suppose, in that we are about to pass a bill which will allow potentially very wealthy people who do not need assistance to open these first home saver accounts. I really do not understand why, when there is $1 billion on the table, or somewhat more than $1 billion, we could not check back on people’s incomes a year or two years afterwards. It is not something that would need to be regulated moment to moment as people’s incomes or circumstances changed, but with such a large appropriation on the table I cannot see why it would be impossible or beyond our means to test their income a year or two years after the first home saver accounts were opened.

I also do not think that people who opened these accounts and who found their circumstances were better some way down the track would resent the amount of support being withdrawn. When we have 100,000 Australians in various categories of homelessness I do not think that it would be in the Australian character to begrudge giving back a certain amount of that money or not drawing as heavily on Commonwealth funds. This is more than half of the new Commonwealth spending on housing affordability, and we think it is completely out of balance that so much is going to assist people to get into their first homes, which obviously we support, when the rest of that funding is really being squeezed. This is one very simple measure that we could adopt, and I simply do not understand why the compliance burden would need to be so high. So I commend this amendment to the Senate.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.59 am)—The two bills that we are dealing with here relate to prudential supervisory compliance issues. They do not relate to the basic parameters of the legislation which has been dealt with on an earlier occasion, although I do not know the date, Senator Ludlam. It is not a criticism of you, but it would have been more appropriate to have moved your amendment to the earlier piece of legis-
lation. We have outlined all the basic parameters of operation. You were not here because you are a new senator, so I understand why that did not occur. I want to point out that it would have been more appropriate to have dealt with this. I accept that technically you can move the amendment to the administration supervisory legislation but it would have been more appropriate on the earlier bill.

Finally, while we are not means-testing, Senator Bernardi has made the point—and I made it earlier in my contribution—that there is a cap. There are a range of restrictions around this account—a $5,000 cap, for one. This is not an account into which a higher income earner can drop $50,000 or $100,000 per year, minimise tax and access the account after four years to buy some million-dollar mansion. There is a cap of $5,000 a year. That, in itself, although not in the same way and perhaps not to the same level that you want, does provide some focus on equity and fairness without doing it through a means test.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11.01 am)—Firstly, on the business of appropriateness, this is the right time for the amendments by Senator Ludlam. It is absolutely appropriate that this be moved at this time. Senator Ludlam has moved a social equity amendment. It simply means that, if it were to pass, there will be more money available for poorer people in Australia to be housed. The cap of $5,000 enhances the argument that Senator Ludlam is putting—that money is not going to make a big difference to rich people but putting it into housing for poorer people is going to mean a great deal indeed.

As far as Senator Bernardi’s assertion is concerned—that we want to stimulate people to save more money—let us have a bill to stimulate people to save more money. This is legislation to get more Australians into housing in a country which has 100,000 people without roofs over their heads, including very distressed families with young children. The social equity component of this is very important. Senator Ludlam is moving a means test which would simply mean that there would be more of this money going to people who are in dire straits, who want to have their own homes but cannot afford them.

As far as the tax office is concerned, having difficulty with the administration of compliance, well goodness gracious! This is the age of computers. They are tracking much more complicated pieces of legislation than this. They are not all sitting there with rooms full of manila folders and pencils. I do not accept that argument in view of the important social equity component of this very worthy amendment which Senator Ludlam has before the Senate.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.03 am)—In response to that last point, part of my contribution in opposing the amendment did relate to compliance and the ATO administration issues. Let me assure you that it is not as simple as it looks to administer a means test. I did not take it that you were criticising staff in the ATO. I had a lot of dealings with staff at the ATO when I was in opposition and now have in government in the application of, say, the means-testing arrangements and the general administration arrangements in relation to superannuation. It is very complex and costly. I do not recall the precise figure off the top of my head, but the ATO is having to spend hundreds of millions of dollars just to upgrade superannuation IT—because of the constant changes in that particular area over a long period under successive governments. It is not as simple as it looks. I know they are not
sitting down there in the ATO using pencils and manila folders.

Senator Johnston—Or feathered quills.

Senator SHERRY—Yes, or feathered quills. Seriously, it is not as simple as it looks. I have explained the practical implementation issues around a means-test approach that would be very considerable with respect to a means-test application to this program. There would be a very significant IT challenge, to start with. I am happy to arrange a briefing at some time from the ATO if you do want them to go through the IT administration compliance requirements when a measure is means-tested as you would propose. From the experience they have in other areas, it is not a simple matter of saying that we will have a means test and tomorrow, or in the next month or two, you redesign the IT and when you switch it on it will all be smooth sailing. It is not that simple. We have to bear that in mind when considering measures like this.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11.05 am)—Let us have that challenge made practical. Senator Ludlam and I would very happily be briefed by the tax office if the minister will commit to accepting a regulation drawn up by the Greens, if he finds it too complicated in these circumstances to simply deal with the equity provision here. It is not much good us having a briefing after the government votes down this very worthy legislative measure, but Senator Ludlam’s amendment says that the government will provide regulations for means testing of the annual government contribution to be paid to a first home saver account. The question really is—it is not the tax office: is the government finding that too difficult or would the minister like the Greens, with the assistance of the tax office, to draw up such a regulation and maybe hold over this matter until we do that? I do not see any value in us being briefed, after the minister has voted it down, about a matter that no longer can be acted upon.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.07 am)—I am happy to provide a briefing about the IT administration difficulties and compliance difficulties with means tests and their general complexity; I have made that offer. We will still be voting down the amendment, because that is not the only reason why we oppose it. It is not the only reason; it is one of three reasons. I have outlined the other two.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11.07 am)—I will accept such a briefing if the minister will accept a briefing from the Greens on the important social equity provisions that the government is voting down here and ought not be voting down.

Question put:

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

The committee divided. [11.12 am]

(The Chairman—Senator the Hon. AB Ferguson)

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AYES

Brown, B.J.  Ludlam, S.  Siewert, R. *

NOES

The enjoyment of shelter from the elements, and of those essential feelings of security and community with family and friends, is part of us - and of the way we want our children and grandchildren to live.

Home ownership provides not only the primary economic asset for most families but also, less tangibly perhaps, stability, inclusion and social cohesion.

But home ownership has been beyond the reach of far too many, for far too long. Indeed, first homebuyers have been to a large extent excluded from the housing market.

A few statistics will suffice to indicate the true extent of this exclusion, though its human cost can not so easily be enumerated.

A report issued just last year by the Urban Development Institute of Australia shows that between 1984 and 2006, house prices across Australia rose by a staggering 493 per cent!

Incomes rose during that same period by 183 per cent. Outright home ownership decreased from 41 per cent to 33 per cent in those same years.

And in the ten years from 1996—when the previous government won office—to 2006, the average mortgage payment rose from $780 each month to $1,300 per month.

Between 2001 and 2007, first homebuyers’ market share fell from 23 per cent to 16.6 per cent. This figure is today much the same.

What a staggering indictment of the previous government!

They have bequeathed us a housing crisis and a housing affordability crisis, mounting inflationary pressure, and an unparalleled series of interest rate rises during the watch of the former Prime Minister and his treasurer.

With the Coalition, you’re on your own—and if you can’t manage, you’re on your own and on the outer.

And yet, they had the hide to tell the electorate: ‘Working Australians have never been better off!’ Labor recognises the community’s shared aspiration and the fact that many despair of ever owning their own homes.
Our Prime Minister indicated, well before the last election, that he was determined to help.

In the lead up to the election last November, in an environment of escalating interest rates, rising inflationary pressure and constantly increasing housing prices under the previous government, Labor outlined its detailed plans to the electorate. And the electorate determined that those plans should be implemented.

These first home saver accounts are unique in Australia. Government contributions combined with a special, lower tax rate are the key elements of the scheme.

From October this year, the Government will make a 17 per cent contribution to the first $5,000 of individual contributions saved each year.

That’s a contribution of $850!

Not only will this encourage people to save hard for their deposit—it will also instil that habit of saving which is so essential to a long term financial commitment such as a home mortgage.

And it will add to our national savings. National savings of some $6.5 billion by 2012 will be an important adjunct to our continuing efforts to decrease inflationary pressures in our economy.

Meanwhile, the reduced 15 per cent tax on the contributions (capped to an indexed $75,000) will be more tax effective as the funds accumulate in the account—just as it is with superannuation.

If a couple earning average incomes saves 10 per cent of those incomes, it will accumulate a deposit of more than $88,000—within five years!

The bills under discussion today are aimed at implementing some final parts of the primary legislative scheme.

The first of the two bills makes provision for the operation of the scheme.

Its terms include a system for dealing with monies that remain unclaimed; they foresee certain family law-related situations, and they establish new information-sharing and secrecy provisions between the Australian Tax Office, the Australian Prudential Regulation Authority and the Australian Securities and Investment Commission.

Additional provisions will ensure that the accounts operate as the legislature intends.

The second of the two bills proposes a framework for the imposition of a levy on the financial institutions providing these new bank accounts.

This will provide funding to enable APRA to carry out its supervisory role.

Using the model of the retirement savings accounts supervisory levy, this new levy is congruent with the existing framework by which the Authority’s supervisory activities are funded.

The quantum of the levies is assessed annually and is the result of ministerial determination.

As senators are undoubtedly aware, the Government’s investment in this scheme, including administration costs, is around $1.2 billion over four years.

The full package of measures, which include programs aimed at boosting housing supply and assisting buyers and renters on low to moderate incomes, will cost $2.2 billion over four years. Contrast this with the level of investment of the previous government—there was none!

The First Home Savers Accounts scheme represents Labor’s honouring of its commitment to the electorate. As I said in this place earlier this year: “The Rudd Labor Government is determined to deliver on its promises.”

In doing so, the Rudd Labor Government is returning decency to the democratic process—confidence which was sorely tried by our predecessors, who (with their core and non-core promises), played fast and loose with the truth for far too long.

The Rudd Government is determined to tackle the housing affordability crisis. It is determined to assist young people—and older people, too—to establish their families in an environment that belongs to them, and that instils a sense of belonging in them.

It is determined to assist industry and the non-profit sector to build affordable rental properties. It is determined to house the homeless and to restore dignity to the lives of those ignored for too long.

Levy Imposition Bill 2008, and look forward to their speedy passage.

Question agreed to.

Bills read a third time.

TEMPORARY CHAIRMEN OF COMMITTEES

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Pursuant to standing order 12, I lay on the table a warrant revoking the warrant nominating Senator Fierravanti-Wells as a Temporary Chairman of Committees.

OFFSHORE PETROLEUM AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

First Reading

Bill received from the House of Representatives.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.17 am)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.17 am)—I table a revised explanatory memorandum relating to the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

OFFSHORE PETROLEUM AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008

The amendments to the Offshore Petroleum Act 2006 which I am introducing today in this bill will enable carbon dioxide to be stored safely and securely in geological storage formations deep underground, in Australian offshore waters under Commonwealth jurisdiction.

This government is committed to comprehensive action to tackle climate change, whilst maintaining Australian jobs and economic prosperity. We are committed to a portfolio of responses, including development of renewable energy sources and a focus on improving efficiency in energy consumption.

Carbon dioxide capture and geological storage, or CCS, holds great potential as a method of avoiding emissions of carbon dioxide and other greenhouse gases into the atmosphere. Geological surveys have indicated that the storage formations in offshore waters made available by these amendments have the potential to securely store hundreds of millions of tonnes of carbon dioxide for many thousands of years. These quantities represent a significant proportion of Australia’s greenhouse gas emissions, and CCS has the potential to substantially reduce Australia’s emissions.

On Friday 19 September, the Prime Minister announced a major initiative to accelerate the development of carbon capture and storage technology to pave the way for its commercial deployment across the world by the end of the next decade. The initiative will involve the establishment of a new Global Institute to help deliver the Group of Eight’s (G8) goal to commit to at least 20 fully integrated carbon capture and storage projects by 2020. The Institute will help deliver this goal by acting as a catalyst to accelerate projects by facilitating demonstration projects, identifying and supporting the necessary research, including regulatory settings and frameworks. In the Prime Minister’s announcement, Australia offered to establish and host the Institute in Australia and to contribute up to $100 million per annum towards its operation. Consultation with other key countries concerning Australia’s proposal have already begun.

The amendments I am introducing today enable a key component of the CCS process, geological storage, to be actively developed by industry proponents. Companies are keen to identify suitable storage sites to match their parallel development of carbon dioxide capture from coal or gas pow-
ered electricity generation and from other industrial and extractive processes.

The bill focuses on the provision of access and property rights for greenhouse gas injection and storage activities in Commonwealth offshore waters and provides a management system for ensuring that storage is safe and secure.

The types of geological formations that have stored oil and gas, and in some cases carbon dioxide, for millions of years, are the same or similar to the storage formations proposed for greenhouse gas storage. Petroleum and greenhouse gas operations are therefore likely to operate in similar regions. The amendments seek to balance the rights of this new storage industry with the rights of the petroleum industry in a manner that encourages investment in both industries. The bill recognises the need to:

- provide greenhouse gas storage proponents with the certainty needed to bring forward investment; and
- preserve pre-existing rights of the petroleum industry as far as is practicable to minimise sovereign risk to existing title-holders’ investment in Australia’s offshore resources.

In 2005, the Ministerial Council on Mineral and Petroleum Resources, or MCMPR, endorsed high-level regulatory guiding principles for carbon dioxide capture and geological storage in Australia. Following consultation with relevant Commonwealth agencies, the Offshore Petroleum Act 2006 was identified as the most appropriate vehicle for implementation of a greenhouse gas injection and storage regime in Commonwealth waters. This was consistent with the MCMPR principle that “existing legislation and regulation relating to assessment and approval processes for CCS be identified and modified and augmented where necessary”. The MCMPR agreed that use of the Offshore Petroleum Act allows for the establishment of a consistent, longstanding and effective regulatory framework for greenhouse gas injection and storage activities, to ensure both the existing petroleum industry and the newly emerging injection and storage industry can co-exist in Commonwealth offshore waters. Both industries apply similar technology for access to the subsurface pore space where their interests will sometimes overlap. Use of the Offshore Petroleum Act 2006 allows the use of existing regulatory frameworks for the many activities that both industries will have in common, such as conducting seismic surveys and drilling wells. It also covers regulation relating to health and safety, and environmental management (other than greenhouse gas monitoring) through the Offshore Petroleum Act Management of the Environment regulations.

The bill includes consequential amendments to a range of other bills, almost all of a technical nature, involving changes to the name of the Act and to numbering references. The fees and levies Acts associated with the Offshore Petroleum Act will be amended in separate bills to include greenhouse gas activities. Specifically, these bills address annual fees, registration fees and safety levies.

The bill introduces amendments that provide the underlying framework from which detailed Regulations specific to greenhouse gas injection and storage will be developed. Work on these regulations and guidelines has already commenced. It is anticipated that development of the regulations and guidelines will involve further consultation with stakeholders.

On 19 May 2008, the exposure draft of the bill was referred to the House of Representatives Standing Committee on Primary Industries and Resources for inquiry and comment. The Committee received submissions and heard testimony from a broad range of stakeholders, including the petroleum industry, coal producers, government and environmental non-Government organisations. The Committee publicly released its final report, titled Down Under: Greenhouse Gas Storage on 15 August 2008 which contained 19 recommendations.

On 17 September the Government’s response to the Committee’s report was tabled in the House of Representatives and I am pleased to note that the Government supported 15 of the Committee’s 19 recommendations and a further two of the recommendations were partially supported. The bill was amended in the House of Representatives to reflect the recommendations adopted. A highlight of these amendments is the ability of the responsible Commonwealth Minister to establish expert advisory Committees, on a needs basis, to inform
the decision making process on a range of critical decision making elements of the bill.

The bill provides for the release of areas for exploration in Commonwealth offshore waters. Decisions to offer exploration areas for greenhouse gas injection and storage activities will take into account possible impacts on other users of the area. Key users aside from petroleum activity include the fishing industry, shipping, defence and submarine telecommunication cables. The concerns of these other users will be considered in the same manner as they currently are for petroleum activity under the Offshore Petroleum Act. That is, special notices concerning the title holder’s obligations and the rights and interests of others are provided as part of the acreage release package. These notices identify other users and the nature of their activities, and the actions that the title holder will need to take so that offshore operations are carried out in a manner that does not unduly interfere with other rights and interests. Native title will also be dealt with as required by the Native Title Act 1993.

Environmental matters will continue to be covered through legislation such as the Environment Protection and Biodiversity Conservation Act 1999 and the Offshore Petroleum Act Management of the Environment Regulations.

The proposed legislation will allow exploration for greenhouse gas injection and storage sites. If the proponent is able to satisfy the responsible Commonwealth Minister that an identified site is safe and secure, the legislation provides for injection and storage of a greenhouse gas substance at a rate and total volume agreed by the responsible Commonwealth Minister. Initially, the greenhouse gas substance will be prescribed to consist overwhelmingly of carbon dioxide so as to be consistent with the Environment Protection (Sea Dumping) Act 1981. The act provides for the meaning of a greenhouse gas substance to be extended in the future should the injection and storage of other greenhouse gases be permitted under that Act.

International developments in carbon capture and geological storage are being closely tracked through Australia’s involvement with international bodies such as the Carbon Sequestration Leadership Forum and the International Energy Agency. While Australia is very much at the forefront of developing comprehensive legislation, these bodies have been used to inform the development of the proposed regime. Australia’s experience is also being shared with other countries. Indeed, successful demonstration of CCS technology in Australia will greatly enhance the prospects for the application of CCS in other countries that emit much greater quantities of greenhouse gases, and thereby provide an opportunity for globally significant reductions in greenhouse gas emissions.

In closing, may I refer to the need for urgent action in addressing climate change, and the significant role that these amendments may play in developing one of the available methods for reducing greenhouse gas emissions. Large scale projects for capturing and concentrating greenhouse gases involve investments of many hundreds of millions, or billions, of dollars. Several large scale projects have already been considering their requirements for geological storage for some years. While recognising the complexities needing to be addressed by this bill, the proponents are also eager to gain access to areas so that they can commence detailed assessment of storage formations.

This bill provides that access, and will play a key role in accelerating the development of carbon capture and geological storage industry. In so doing, it provides a significant opportunity to tackle climate change in a way that protects Australian jobs and maintains our economic prosperity. I commend this bill to the Senate.

Debate (on motion by Senator Sherry) adjourned.

BUSINESS

Consideration of Legislation

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (11.19 am)—by leave—I move:

That the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008, the Offshore Petroleum (Annual Fees) Amendment (Greenhouse Gas Storage) Bill 2008, the Offshore Petroleum (Registration Fees) Amendment (Greenhouse Gas Storage) Bill 2008 and the Offshore
Petroleum (Safety Levies) Amendment (Greenhouse Gas Storage) Bill 2008 be taken together for their remaining stages.

Question agreed to.

**OFFSHORE PETROLEUM AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008**

**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**

Second Reading


That these bills be now read a second time.

Debate on Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 resumed.

**Senator JOHNSTON (Western Australia)** (11.19 am)—I commence by recording my thanks to the Minister for Resources and Energy, Mr Martin Ferguson, and his staff for the courtesies and engagement they have afforded the opposition on this very important greenhouse gas storage legislation. I also want to compliment and thank the former Minister for Industry, Tourism and Resources, Ian Macfarlane. These bills had their genesis back in 2005. The primary objective of this legislation is the capture and geosequestration of carbon predominantly produced by large emitters. I put it in those terms because the entirety of the cycle is what is required to be considered for the commercial viability of this framework. Carbon capture and geosequestration is acknowledged by Geoscience Australia and all of those interested in the future of coal fired energy generation in Australia as arguably the best option to continue to provide to Australian households and Australian businesses reasonably cost-effective energy.

The legislation is predominantly focused on the Latrobe Valley in Victoria, where approximately 85 to 90 per cent of Victoria’s energy is generated through the mining and firing of brown coal. The Latrobe Valley has quite a magnificent history of providing reliable baseload power to not just Victoria but a very large region, including southern New South Wales and parts of South Australia. The kilowatt hour rate has varied over the years but currently is around 10c to 12c. The foundation stone upon which many people’s standard of living in this part of Australia is built is cheap, reliable baseload power coming from brown coal in the Latrobe Valley. The problem, of course, is that these power stations are very large emitters of carbon dioxide.

What this legislation seeks to do, in anticipation of capture, compression, transportation and then storage of greenhouse gas in subterranean repositories in the Bass Strait, is to provide a framework that commercial interests—namely, the emitters—can use in a practical way to plan their future capital expenses to mitigate their emissions. This is a very, very difficult task because we have to reconcile and balance the competing interests of petroleum titleholders with the titles that this legislation provides to the emitters or their agents who seek to sequester the carbon. Some of the very important issues in providing this user-friendly framework are,
of course, surrounding areas of risk, given
the very substantial tonnage of carbon that is
likely to need to be stored and sequestered—
in short, the question confronting legislators
is: who shall bear the overall liability, re-
sponsibility and risk for this material? The
time frames for the resolution of disputation
between the petroleum titleholders and the
sequestration title applicants are crucial to
having a cost-effective framework. The last
thing that the emitters, or those who seek to
sequester carbon, require is a lawyers’ feast
with QCs taking matters to the High Court in
disputation with the petroleum licence hold-
ers. I will have some more to say about that
in a minute.

The principal task of this framework is to
reconcile the competing interests of the pe-
troleum titleholders and the coal fired elec-
tricity generators predominately in the La-
trobe Valley. I should pause to mention that
there are another set of interests that also
need to be considered. Those are the interests
of the North West Shelf gas explorers and
producers. Gorgon and Woodside, for exam-
ple, both have very substantial issues with
respect to the sequestration of carbon dioxide
emitted by their plants as part of the process
of producing liquid natural gas.

Can I also say that I think we do have
some distance to go. I do not want to be seen
to be critical at all of the department or the
minister, but this is a very complex and diffi-
cult set of rules and regulations—a difficult
balancing act—for different regions of Aus-
tralia that have different requirements. This
legislation is good. It is a tremendously ad-
mirable first step, but there are some fuzzy
areas in it that I think are going to take a lit-
tle longer to work through. I will deal with
those in a moment.

What we want from the legislation is the
starting point, Madam Acting Deputy Presi-
dent Hurley. I pause to acknowledge that, as
chair of the committee dealing with this, you
have an interest in how this matter pans out.
I suppose it is timely that, by coincidence,
you are in the chair when we are talking
about this matter. What this legislation has to
do is provide a commercially workable, vi-
able framework that has as its primary con-
sideration a cost-effective, user-friendly ca-
pacity. We anticipate that the science will be
there in the next 10 years. We trust that it
will, given the amount of money we are
spending on it. The aim is to capture the car-
bon pre-combustion, post-combustion,
chemically or through any of the other meth-
ods that may well be available. We will then
have a product that we require to store—a
product that must be taken away from the
site of generation and sequestered into a re-
pository at 1,000, 2,000 or 3,000 feet below
the surface and, in this instance, because it is
Commonwealth legislation, beyond the
three-mile limit in the Bass Strait and in an
area geophysically that will accommodate
this material. By obvious coincidence and
logic, that area is also the focus of oil and
gas exploration and production.

That brings us to the competing interests
aspect. Carbon, once captured, is more than
likely—and we are surmising as to how this
will take place because I suspect that this
legislation will not actually see any real use
for some considerable time, probably five to
10 years at the earliest—to be compressed to
minus 161 degrees Celsius, forming a liquid
sludge that will comprise predominately car-
bon dioxide but possibly a number of other
chemicals including sulfur, maybe a bit of
mercury and those sorts of things. This prod-
uct will then require to be conveyed across
the land surface into the sea via a pipeline,
out to a site, potentially looking a bit like a
drilling rig, and then injected into an area
that is suitably explored, tested and evaluated
to sequester the material. Thereafter, the
challenge for the emitter is to maintain a
That all sounds very technical and it is quite a significant undertaking. It is being carried out successfully right around the world and has been carried out in many forms for probably 25 or 30 years with respect to oil and gas production. Enhanced oil recovery has been a recognised science for a very long time in oil and gas technology. That is where the oil and gas producer injects, adjacent to the production well, a drill hole and, under pressure, inserts a product—it could be salt water, carbon dioxide or another form of gas; it could be methane; it could be anything—to increase and enhance the pressure of the geophysical repository such that the production of oil or gas as the case may be is enhanced.

That has been happening for a very long time and has been a very successful methodology. What we are saying is that that methodology has obvious uses with respect to the sequestration of carbon. There are a number of very important examples. I pause to acknowledge the work of both this government and the previous government with respect to the Otway site in south-western Victoria where, as we stand and talk here now, there are 100,000 tonnes being slowly injected into a subterranean repository and being measured and monitored by the CSIRO and a very capable international corporation with experience in this area called Schlumberger. It is a very exciting prospect to see how long it will take for the gas injected approximately 400 metres from the detection site to seep across through the subterranean repository to be recorded. This is a great experiment for Australia and somewhat of a world leading example of the technology.

The legislation does have some areas that need clarification. One of the principal problems in providing the commercially usable framework is that the sequestrators will not know much about the site. They will have to employ consultants to take the geophysical data from Geoscience Australia. I think an area that is important is their free and ready access to this. The oil and gas producers will more than likely be unwilling to provide their exploration data and their research data. However, given that these generators and emitters are providing electricity to our communities, there is a national interest involved here and I expect that the legislation would streamline access to data so that the emitters could, in a cost-effective way, receive assistance in identifying sites.

Again, if the emitters were to drill their own sites in greenfields areas that are beyond the oil and gas petroleum titles and were to encounter hydrocarbons, an interesting event arises: an electricity generator may suddenly become an oil and gas producer. But that remains to be seen, and I think we need to be clear as to what the eventualities are, were that to happen. I am sure the department has an answer for that. I am not entirely sure that this permit completely prohibits a proprietary interest in anything discovered whilst undertaking such drilling. Having said that, we then turn to the principal area of concern and that is the reconciliation of the petroleum permit rights with the rights of the applicant to sequester; namely, the rights of the emitter through this sequestration entitlement.

Personally speaking from some experience in mining legislation in Western Australia, the most important thing is that oil and gas permit holders who are investing very large sums of money now and into the future have security of title. That is the first step. Without that we inadvertently undermine the financial valuation of the resources and assets that these companies hold. That is the starting point from the opposition’s perspective—certainly from my perspective. Oil and gas petroleum title holders must be assured
and confident, as their financiers and boards must be, that this is not an assailment or an attack upon their titles. They should be able to say and prove, as this legislation seeks to provide for, that if there is adverse effect to their present or future legitimate operations as anticipated through their exploration work they should be able to successfully object to sequestration applications.

I think that is a very important starting point and, of course, there needs to be adjudication of that on a basis whereby we have firstly established the legitimate bona fides of someone requiring to sequester carbon. That is, it must be a strategically financially viable operation that is producing carbon which seeks to acquire the tenement. By establishing that, we eliminate the potential for anybody to want to speculate in these tenements. That would entirely defeat the purpose of what we are about here. So we have to have a legitimate applicant and we have to have a bona fide petroleum title holder who can show that that corporation’s future prospects are adversely affected by this application. Then we have to have a proper adjudication.

Thereafter, we have to have an adjudication that is essentially very fast but fair. There is absolutely no point in having a framework that wraps the parties up in a long bureaucratic process. We are talking several cents, or potentially dollars, per tonne per kilometre in moving this material offshore; dollars per tonne in injecting it into the surface. That is attacking the bottom line of the generators and that flows directly into Australian domestic households and into businesses.

I note that the Senate said that the framework should be successful and it should therefore translate into a smaller increase in household electricity bills. May I say, I think we all hope for that. The chances of that are very minimal. If you consider that the bolt-on capture mechanisms for these emitters are probably not even tax deductible and run at hundreds of millions of dollars, the transportation costs alone—the energy to drive the material 50 to 60 to 70 kilometres offshore—are going to be very expensive. There is absolutely no way that these costs could not be passed on to domestic households and to business.

Having said all of those things, I think the history of this technology is very, very good. It is evolving; it is new. At the Archer Daniels plant in Illinois in the United States they are injecting three million tonnes of carbon dioxide from an ethanol plant. I anticipate that that will be a very successful model as a project carried out in a quite densely populated region of the United States. I think and hope that it will be a great example and reassurance to those who have some doubts.

I pause to say that the states have been dragging the chain on these models. South Australia is leading the way, which is good for them because they have a large oilfield and a gas field in the central part of their state. I give them credit for that. But the point is that other states have failed to grasp the nettle of how a framework for this could work. I come back to my original proposition: if it is going to be viable, it has to be cost-effective. Therefore, the sites have to be adjacent to where the gas is emitted.

In doing any net present value calculations of what type of plant equipment and structures are needed to inject this material into the subterranean repositories that I have talked about, we must have frameworks that are commensurate with and complementary to the Commonwealth framework—and I compliment the minister again—but which have as a priority a cost-effective, user-friendly, nonbureaucratic series of mecha-
nisms so that people can know where they stand very quickly and get on with the job of moving from site to site if things do not go as planned. Having said all of that, I think this is a great first step. I see some shortcomings, but I think they will work themselves out over some time. I think it is a step in the right direction.

Senator MARK BISHOP (Western Australia) (11.39 am)—At the outset, I would like to acknowledge the thoughtful contribution to the discussion just made by Senator Johnston from Western Australia. I note that he has been of assistance to the government in the preparation of these bills. It is only proper to put that on the record. I would also like to acknowledge at the outset the significant work done in this area by the responsible minister in the previous government and the continuation of that work to almost completion by Minister Martin Ferguson in the current government. Also, whilst giving acknowledgements, I think it only appropriate to place on the record the fine work done in respect of the examination of these bills by both the House of Representatives Standing Committee on Primary Industries and Resources, chaired by Dick Adams from Tasmania, and yourself, Acting Deputy President Hurley, in chairing the Senate Standing Committee on Economics which similarly examined this particular piece of legislation, which, as was indicated at the outset, is quite groundbreaking. It will have a significant impact many years into the future. It is quite necessary for the establishment of a long-term, viable, commercially productive industry in this area and it is also quite critical to our government’s plans for carbon storage as we go into future years.

With those introductory remarks, I rise in support of the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and three like bills and note for the record that the bills seek to achieve a number of purposes. Firstly, they establish a system of offshore title for the storage of carbon, and these titles will be similar to the offshore petroleum titles that already exist under the act. The legislation will authorise the transportation, injection and storage of greenhouse gas submersion in deep geological formations under the seabed but also make changes to the existing regime of petroleum titles that are needed to accommodate new types of activities authorised by the legislation.

We all know that 80 per cent of Australia’s electricity is generated by coal. No serious response to climate change can ignore the pressing need to clean up the harmful emissions that come from the use of coal. The establishment of a carbon capture and geological storage, or CCS, framework represents a major step towards making low-emission coal a reality now and into the future. CCS is essential for the long-term sustainability of coal fired electricity generation.

The coal industry is highly significant not only to Australia’s economic prosperity but also to the world’s current and future energy supply. Coal currently provides almost 80 per cent of Australia’s electricity generation capacity. Surprisingly, when I was doing some reading I found coal also supplies 40 per cent of the world’s electricity needs. Clearly, for the foreseeable future, coal will remain critical to Australia’s and the world’s electricity needs. Indeed, the International Energy Agency forecasts that coal will provide around 44 per cent of world electricity needs in 2030. So in just over 20 years electricity generated by coal will further increase by four per cent.

Accordingly, it is critical that domestic policies support the development and deployment of low-emission coal technology. Considering this by way of background, it would be hugely irresponsible for the Austra-
lian government to in any way close down the Australian coal industry. To do so would be to forsake the economic opportunity that global demand for coal represents for all Australians. It is Australia’s largest single source of export earnings. It will generate an estimated $43 billion in export income in 2008-09. It is the lifeblood of many rural and regional communities and it employs some 30,000 people around Australia. If Australia were to stop mining and exporting coal, countries like China and India would simply find other suppliers to meet their demand because they have no choice if they are going to maintain their progress in terms of economic transformation. Therefore, any response to climate change pressures must also take into account the need to maintain adequate and reliable energy supplies by making the use of fossil fuel cleaner.

The government recognises that new clean energy technologies, including both fossil fuels and renewable energy sources, are the key to a sustainable climate change solution. The Rudd government is providing leadership and policies that reduce or eliminate greenhouse gas emissions but at the same time ensure that we continue to prosper from our abundant energy resources. In this context, and as a fossil fuel dependent economy, the Australian government has a pivotal role to play—a pivotal role in driving technology outcomes that reduce or eliminate greenhouse gas emissions. A key part of this effort is the need to establish a framework to allow for the capture and geological storage of greenhouse gases emitted from fossil fuel use, both domestically and in countries which purchase and use Australian coal.

The centre-piece of the government’s climate change policy is its commitment to establish a Carbon Pollution Reduction Scheme in 2010, and this scheme will establish a forward price for carbon within the Australian economy. Placing a cost on carbon will encourage industry to develop and deploy low-emission technologies over time.

The government’s legislation establishes access and, more importantly, property rights for the safe and secure injection and storage of greenhouse gases into stable, subsurface geological reservoirs in Commonwealth waters more than three nautical miles offshore.

The legislation aims to provide project developers with the certainty required to commit to major low-emission energy projects involving CCS. It also allows for the establishment of an effective regulatory framework to ensure that projects meet health, safety and environmental requirements. The legislation will create an environment in which industry can invest in CCS projects with confidence and will encourage the commercialisation of technologies which will have the potential to play a vital role in reducing global greenhouse gas emissions in the future. The legislation provides for appropriate consultation and multiple use rights with other marine users, including the fishing and petroleum industries, and ensures that pre-existing property and use rights are properly reserved.

So far I have discussed in passing the significance of the coal industry and then given an overview of the government’s legislative framework. I want to now turn to the issue of liability, which is addressed in some detail in both the House report and the Senate report that I discussed at the commencement of my remarks. Put simply, the government proposes to establish a regime for the injection of CO₂, carbon dioxide, into underground geological storage. As a matter of sheer logic, this proposal raises issues of liability for the storage structure and the shifting of CO₂ away from the storage structure.

The proposed legislation is silent on the question of long-term liability. Indeed, liability could be anywhere from generations to
There are, when one reads the relevant chapters in both reports, quite cogent arguments both for and against the acceptance of long-term liability by the government. Those arguments go to issues of risk, incentive, cost and legal responsibility. Risk involves the lack of precedent, which can create investment uncertainty and impede commercial development. Why? Because carbon capture and storage is an up-and-coming industry; it is not yet a mature industry. This lack of maturity is reflected in industry’s inability to mitigate risk from common-law liability. Similarly, risk uncertainty through lack of precedent may prevent long-term insurance for projects because of the lack of actuarial data and the long-term nature of the risk.

The issue around incentive relates to the formal transfer of long-term liability from the operator of the project to the government. Such transfer would ideally be conditional upon strict adherence to prescribed site closure criteria. Arguably, this complexity and ongoing liability will be a disincentive to investment in a particular project or projects. The concerns around cost again relate to the uncertainty over long-term liabilities. By this, as I said, I mean over periods of up to hundreds of years or more and responsibility for actual remediation if damage should occur. Is this a cost to current shareholders or is it an embedded liability which might become real for future owners? This is not an insignificant issue, because structural damage, either through negligence or malfeasance, could be a company breaker in the future.

The final concern relates to legal certainty. This is clearly critical to significant large capital investment, which is going to be required to fund these projects and was referred to by the previous speaker. One only has to look at the raft of consolidations, acquisitions and project transfers that occur in oil and gas related industries to understand the sheer volume of commercial activity in these areas. In the last 10 years alone dozens and dozens of major companies have been taken over, have gone out of business, have been restructured or have simply been absorbed into larger enterprises. One only has to look at the significance of BHP Billiton or Rio in this country to understand how many other separate companies no longer exist in a legal sense in Australia. I raise this because it relates to long-term legal responsibility for liabilities incurred by companies that no longer exist. These are all significant issues.

As I said earlier, the legislation has been examined by the two respective committees. On the issue of liability, the House committee recommended that a process for the formal transfer of long-term liability from the operator to the government be established within the proposed legislation. Interestingly, the relevant Senate committee had an opposite recommendation: it recommended that the government reject calls for it to assume explicitly long-term liability for any leakage from carbon storage projects. Presumably the Senate committee was of the view that there was currently adequate legal protection in the common law. The latter situation is the intent of the current set of bills before the chair because this set of bills is silent on the question of long-term liability—that is, once the licensee’s statutory obligations cease when the site-closing certificate is issued, future issues of liability would be in the domain of the common law. It is all well and good to leave things to the common law, arguably evolving from litigation around disused coal mines and the like in the United Kingdom. However, in the longer term the risk, in a sense, does and will pass to the community because project participants may cease to exist or because of some time-related factors such as the unavailability of witnesses.
This is indeed a quite a complex bill. It has within it a lot of balancing, addressing the concerns of different regions around Australia. Major issues do need further discussion, particularly around the issues of risk and liability. One should also observe that this is a groundbreaker in the sense that one of the reports identifies this as the first piece of legislation for CCS anywhere in the world, so not only are the deliberations going to be observed in this country but, because most of the key participants are subsidiaries of international companies, it is going to have a lot of impact into the future in other parts of the world when those countries have to address the issue of carbon storage.

I would like to make a few remarks on an announcement by the Prime Minister and Minister Ferguson—I think on Monday of this week—concerning the government’s global carbon capture and storage initiative, where the Prime Minister announced a $100 million global institute to speed up the development of carbon capture and storage technology. Through this institute, the Rudd government intends to work cooperatively with other countries to help reduce the amount of CO2 released into the atmosphere. The government is offering to host that institute in Australia and will continue to contribute up to $100 million per annum towards its operation. So we have not only groundbreaking legislation before the chair for discussion which is going to impact on this emerging industry around the world into the future but also a clear, firm commitment from our government of a sizeable amount of money to give intellectual support to research and development in a range of projects attached to this issue. That is indeed a most worthy development.

Finally, the minister has asked me to advise the Senate that negotiations are underway with various parties in the Senate. The government will listen to the debate closely and give detailed consideration to any proposals to improve the legislation. The government will come back with any proposals in the committee stage.

Senator MILNE (Tasmania) (11.56 am)—I rise today to make some comments on the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and associated bills, which provide for the capture and storage of carbon dioxide in underground cavities offshore. Carbon capture and storage is an integrated process made up of three distinct parts: carbon capture, the transport of the CO2 and the storage, including the measurement, the monitoring and the verification. It aims to produce a concentrated stream of CO2 that can be compressed, transported and stored. The transport of the captured CO2 is likely to be via pipelines. Storage of the CO2 is the final part of the process, and the majority of storage is expected to occur in geological sites on land or below the seabed. Disposing of waste CO2 in the ocean has also been proposed, but this method has been discounted due to the significant impacts that CO2 would have on the ocean ecosystem and to legal constraints around the world that effectively prohibit it under the London sea-dumping convention.

However, the urgency of the climate crisis means that we must have large-scale solutions for reducing carbon dioxide as soon as possible, and the fact of the matter is that carbon capture and storage cannot deliver in time. We have an urgent crisis with climate change. The Intergovernmental Panel on Climate Change says that global emissions must peak and start reducing by 2015. There is no prospect whatsoever of large-scale carbon capture and storage, with its associated coal plants, being on track anywhere until 2030. The first issue we have, then, is the urgency of the climate crisis and the question of the likelihood that carbon capture and
storage could meet the deadline, and the answer is ‘failure’; it cannot meet the deadline.

The second issue is: what is the target that we are aiming for? What nobody is acknowledging here is that the coal fired power generation associated with carbon capture and storage is described as ‘low-emission technology’, not ‘zero-emission technology’, because it is still a significant emitter. The fact of the matter is that, because of the loss of efficiency at the coal fired power station in order to capture the carbon dioxide, you have to mine more coal in the first place. So you are actually mining more coal in order to get the same levels of output from your power station, and then you have these ridiculous costs associated with the transport of that CO2 by pipeline and the costs of injection underground. Thirdly, there is the issue of the liability and risk associated with who actually pays in the longer term. So whether or not this technology is ever proven remains to be seen, but the fact is that if you have a stringent target—and the Greens believe we need to get 40 per cent below 1990 levels by 2020 and get net carbon to zero as soon as feasible, and certainly before 2050—then there is no way that this technology plays into the arena of the nature of the cuts required at the price. Everybody talks about ‘at the best price’ and I will get to that in a moment, because carbon capture and storage is extremely expensive.

You have to ask the question: why is Australia—with the best solar radiation in the world, with some of the best wind resources in the world and with fantastic geothermal resources—choosing to pick a winner, in terms of where we put public money, and go with the coal industry as opposed to looking at the whole range of options. We get told all the time that the government does not want to pick winners when it comes to renewable energy, but the government has already picked its winner with so-called clean coal. Why do I say that? It is pretty obvious: we have a $500 million low-emission technology fund—that is code for clean coal. Last week, in an interesting twist, the Prime Minister announced $100 million for his new knowledge hub for so-called clean coal. Usually when good news announcements are made the government announces how much it is going to spend over the quadrennial period so that it maximises the amount of dollars. Last week they announced $100 million for this clean coal facility and then said, coughing behind the hand, that that amount was for every year. So they are actually giving $400 million to this clean coal knowledge hub on top of $500 million for its low emissions technology.

I am still waiting for the announcement, in relation to the promise that was made in the election campaign, of the $100 million for the centre of excellence in solar research. I think the $100 million for solar research just got rebadged into $100 million for this knowledge hub. Why did we have the announcement last week? That was because the Prime Minister is going to New York this week and his address at the United Nations will focus on the leadership role that Australia wants to play in clean coal technology around the world, and the Prime Minister needed to have made an announcement before he left the country, before he got to the UN. This legislation that we have just heard about from Senator Bishop is the first legislation in the world. So the Prime Minister can tell the United Nations that Australia is moving to have a legislative framework for the storage of carbon dioxide. The fact that the liability issue has not been addressed is going to result in another cough behind the hand, because that is the one issue that the whole of the coal industry want to know about—because they want certainty in terms of investment.
Why is the UN speech so important? It is leading up to Poznan, and in Poznan no doubt the Australian government will be trying to put together—with the Polish government, the South African government and any other government which will join—a global coal plan that Australia wants to take leadership of. So we will become the coal king of the planet. What an appalling scenario for Australians who thought, when they voted for the Rudd government, that they were actually going to get action on climate change! We had that confirmed yesterday in question time, when Senator Carr, who is quite explicit about that—and I am grateful for his honesty in this—said:

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.

Well, the first bit is true. The whole focus is on the $21 billion export market and the desire for Australia to keep on mining and exporting coal. That is fundamental to anything we look at here. It is not about moving to a low-carbon economy; it is about protecting, at all costs, the coal industry. The second claim is that committing to the low-carbon future will stimulate the innovation and technological development needed to reduce the greenhouse gas impacts of coal. Well, it will not unless the government pours money into it. Why? Because the industry itself has no confidence whatsoever that this technology is going to work at a price that is reasonable. In fact, John Boshier, from the National Generators Forum, said on television:

I think we all felt a few years ago that clean coal was doable and was a great option for Australia. We’ve got a lot of coal in Australia. We’re now worried about how long it will take and how much it’s going to cost on the scale that we’re talking about.

Quite right. The coal industry gets it. He went on to say:

Well, it certainly is something of a wing and a prayer at the moment for a banker to put any money into clean coal technology. A banker is wanting to see plants that have got a really good prospect of commercial success and we don’t have that at the moment.

When the coal industry does not even have the confidence that it can capture carbon dioxide pre combustion or post combustion and put that onto an existing power station, why should the community stump up the dollars for the coal industry? The fact is that all of Australia’s coal fired power stations are unsuitable for postcombustion capture. So we are talking about having to build new coal fired power stations in order to go with this technology. There is nowhere where they have been able to bolt it on successfully at a reasonable price, because it reduces the efficiency of the power station by at least 30 per cent and then increase the inputs at the other end in terms of the coal that has to be mined.

Let us talk about what has happened despite all the fabulous discussions that have taken place about how good this technology is. Let us start with the US, where they had such faith in carbon capture and storage that they went with their FutureGen project. It was going to be America’s only commercial-scale experiment in carbon capture and storage. It was announced by President George Bush in 2003 and involved building a 275-megawatt coal gasification plant in Illinois. It would produce fewer emissions and so on and so forth. The site had been chosen, technological reports done and the first stage of construction was to start in early 2009 but, oh dear, it fell over. It fell over, with the US government announcing that it was no longer going to put any more money into the project.
because of cost over-runs, technical difficulties and so on.

Let us go to Western Australia, where, again, we were told about this fabulous project at Kwinana. This was going to be the bee’s knees in terms of a clean coal project—a $2 billion hydrogen power project in Western Australia. And then, oh dear, it fell over. Rio Tinto and BP pulled out. But who paid the cost? And this was not publicised very much either. We discovered that in fact Western Australian taxpayers are now facing a bill approaching $1 million a year to meet the holding costs associated with the site. Essentially, what happened was that Rio Tinto and BP were negotiating with LandCorp to take a long-term lease over 76 hectares of a former petrochemical plant site to build this 500-megawatt power station using clean coal technology, and it fell over. Western Australian taxpayers have been left with paying $1 million a year, but apparently that does not matter. BP and Rio Tinto have just walked off and left the taxpayers with the problem.

On the very day that the Prime Minister announced his fabulous new investment in Australia being a hub, we found that a landmark clean coal technology project funded by the Commonwealth, backed by the Queensland government, to help steer Australia’s economy away from its reliance on coal power had been scrapped. In fact, $75 million had been promised from the Commonwealth Low Emissions Technology Demonstration Fund to that Fairview power project near Roma in Queensland. But it fell over because, and I quote: ‘There is currently no business case to build an industrial-scale project unless the government tips in more financial support.’ So here we go: at every point along this trajectory you find that the coal industry, which has made megaprofits out of polluting the environment for the last 100 years and has been the largest contributor to the greenhouse gas emission problems we are all suffering from, now has its hand out because it wants the government to tip in more money for the research and more money for the technology.

But is it all we have got? Isn’t there anything else? Of course there is something else. It is no surprise to me that the CSIRO and the Cooperative Research Centre for Coal in Sustainable Development sat on a report for a very long time and did not make it public because it predicted that the cost of electricity from concentrated solar thermal plants would be competitive with coal-fired power generation in five to seven years. The coal industry certainly would not want that made available to the public, and so those bodies sat on that report for a very long time. But that is the fact of the matter: solar technologies, wind technologies, geothermal technologies, wave power and a whole lot of the renewable energy technologies are coming on much faster than any of this so-called promise when it came to ‘clean coal’. The renewables industry are saying that they can produce the power but they need to be given some help in commercialising the technology. So why is it that we have picked entirely the wrong horse to back and then fixed the race for the wrong horse to win?

This is an appalling situation in terms of the use of public money. Public money should now be being used to bring on those renewable energy technologies which need assistance with commercialisation and which do not have these mega long-term liability costs associated with them, and then these new technologies could be driven by a gross feed-in tariff, which is what has driven that technology to explode as a solar revolution in Germany—and we are seeing that with renewable energy right round the world.

So there is no business case at all for this so-called carbon capture and storage.
cannot modify existing coal fired plants. What the government is not saying is that this is a recipe for Australia to build new coal fired power plants in the future. As the Minister for Resources and Energy, Martin Ferguson, said at the opening of the Otway Basin project:

... we are a fossil fuel dependent economy and our major export is coal. In my opinion, we'll see at some point in the future new coal-based power stations in Australia. There is no alternative …

New coal based power generators in Australia—now that is a nonsense. We should not be building new coal fired power stations. And they would be labelled ‘carbon capture and storage ready’ so that they could be retrofitted at some point in the future if the technology is ever proven.

This is exactly what the tobacco industry did. It complained that it was a major industry, that it contributed a great deal to export earnings and that it had to be saved at all costs. In order that that occur, they invented so-called low-tar cigarettes which apparently—according to the tobacco industry—did not have the same problems attached as regular cigarettes. That extended the profit margin of the tobacco industry for a long time by extending its social legitimacy on the basis that, somehow, its new cigarettes were marginally better. Well, that is exactly what carbon capture and storage is: it is trying to give social legitimacy to a technology which is killing the planet and it is trying to do that by suggesting it will go to a low-emissions future—not zero emissions; low emissions.

The costs are huge. As Senator Johnston said earlier, imagine the costs of capturing this carbon in your new power stations, pumping it out there, injecting it underground and then the long-term risk and liability associated with it leaking out. And who is going to pay for that? All that is going to go on people's power bills. Why would you do that to the Australian community? Why would you lump them with these hideous new costs when you can scale up the renewable energy technologies, where you do not have the liability issues and where the primary source of the energy is free? The sun and the wind are free. Wave power is free. Why wouldn't you go with those technologies? Why would you want to try and lock Australia into, leg-roping Australia to, the old coal past?

On the matter of liability, there is no way that the Australian taxpayer should bear the liability for leakage from any of these storage sites. While initially you might get some geological formations which hold that carbon dioxide—and that is a maybe—you certainly will not when you are talking about the volumes you would have to capture. The coal industry will be looking for holes in the ground, wherever they can find them, and as soon as they get their closure certificate they will walk away. As they become more and more desperate and the costs of the pipelines become greater, they will go to dodgier and dodgier sites, where the leakage risk is going to be higher and higher. So, if the government wants to pursue this strategy, the coal industry should bear the liability, not the taxpayer. We know there is the potential for liquefied carbon dioxide to leak into surrounding structures or to leak out altogether and gradually make its way into the atmosphere. Somebody will pay; we will pay in making good on the emissions and we will pay in terms of the risks to the environment generally from this technology.

So I am foreshadowing that the Greens will be moving a second reading amendment to say that if the government wants to proceed with this then there should be a bond paid up-front. Just as miners have to pay bonds for what they do for rehabilitation and long-term risk, I am saying that we should make it explicit in this legislation that the...
total liability rests with the companies that want to dump this stuff in a waste dump strategy. It is an extension of our landfill strategy to the 21st century. They should take liability for it. What is more, before they pump any of it out of their power stations, into these pipelines and into the ground, there should be a bond adequate to the long-term cost and projected price of making right, in the global context of our targets, the carbon that goes to the atmosphere.

Senator HURLEY (South Australia) (12.15 pm)—I was chair of the Senate committee that considered the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and related bills. It followed on from the House of Representatives committee, chaired by the Hon. Dick Adams, which had extensive hearings on these bills and produced a very comprehensive report. These bills are very significant and, as has been pointed out by Senator Bishop, it is groundbreaking legislation in world terms.

The bills allow for the sequestration of carbon dioxide in offshore areas around Australia. Critically, they provide for a uniform national approach, which is something that is vital both for the industries that the bills will apply to and for the governments involved. It means that everyone understands the parameters of carbon capture and storage and that we have nationally uniform legislation to provide for safe and secure storage.

But we must remember in this debate that this is only one element of the government’s comprehensive plan for dealing with carbon. There are also the Carbon Pollution Reduction Scheme, which is being developed, the low-emissions coal scheme and we have also had an announcement by the Prime Minister on 19 September of a global carbon capture and storage initiative. It is very important that we recognise that this is part of a comprehensive strategy by the government, because this is not of course the sole answer to carbon emissions, and the government does not pretend that it is.

During our inquiry we received many submissions that talked about the problems of the amount of carbon being emitted—principally, we are talking in this instance of that from coal-fired power stations—and the comparative shortage of suitable areas for geological carbon sequestration. Indeed, the Victorian government were very concerned that they have access to suitable sites for their carbon sequestration needs. There were tensions between competing proposals to use the Australian sites that are suitable for this purpose.

Several pilot plants are already operational around the world and in Australia, principally Sleipner in Norway, which has been used for over 10 years for sequestering carbon from petroleum operations around Norway. That has been operating very well and without incident for over 10 years. It provides a good example of what is possible. We also have a pilot project here in South Australia in the Otway Basin. CO2CRC is operating that.

It appears that the technology for carbon sequestration is reasonably well understood. It has been operating at a pilot level and it has been operating as part of other chemical plant operations. For example, Senator Johnston, I think it was, referred to one in the United States, which was an onshore facility. We do know that this technology is possible and practical. The important thing now is to set in place the framework legislation that ensures everyone’s interests as much as possible. This is what the government has attempted to do. As was mentioned earlier, the previous minister, Mr Macfarlane, began this process and Mr Ferguson is now completing it.
The tension between the petroleum licence holders already operating in the offshore areas that are most likely to be prospective suitable geosequestration sites and others, particularly coal fired power station operators who may want to use this sequestration facility, is something that has occupied the attention of both the House committee and the Senate committee. The House committee went into quite a lot of detail about this. Therefore, in many ways, the Senate committee that I chaired did not have to go over that ground. It was clear that it was important that the operator shared information, that the government had expert advice and that there was fair distribution of the available sites. Whereas the legislation had to some extent provided that, I think the recommendation of both the House committee and the Senate committee that the government look to expert advice to deal with these competing interests is undoubtedly the best way to go, and the government was very open to that point of view.

I will not go back over ground that some of the other speakers have covered, but it is important to understand that existing petroleum and gas explorers that already have these offshore sites have their own carbon dioxide emissions and they are being given priority to ensure that they are able to sequester their own carbon dioxide if they have suitable sites on their exploration permits. Clearly, this is a logical step. In the Senate hearings we heard quite clearly from Woodside about the way in which they deal with the carbon dioxide which they need to remove from their gas in order to conduct their operations properly. It needs to be removed in order for them to produce LNG. So it makes sense that those operators can take their own carbon dioxide and sequester it in their own basins. That is clearly the most efficient way in terms of their technical operations and it also makes sense from an economic point of view.

We also had a great deal of evidence from other companies, and, indeed, from the Victorian government, that it was also important that petroleum and gas offshore operators did not unnecessarily withdraw from open source those areas that were potential carbon sequestration sources and that those other power stations and other operators who wanted to use those basins could have a way to get in there and not be shut out by the existing licence holders. We did hear from some licence holders that there may be a problem that if other people are operating in their exploration and operation areas then it may impact on their own operations. It may create safety considerations or it may cause some leakage into the area that they were looking in, whether for gas or petroleum.

So there are a number of competing interests here and it is certainly clear that the minister and the government need expert advice from a technical point of view and from a geological point of view about how to best resolve these competing interests. It seems clear that the best way to achieve this is for a minister to have expert advice through some kind of committee structure, which ensures that there is fair access for everyone.

Also it is important to ensure that when the operation is closed down it is closed down in the best way possible to ensure the safety and security of the basin which is used to store CO2 and perhaps other kinds of gases as well. It is important that, before the government gives that basin a closure certificate, the government has the expert advice that that is done in the best way possible. This basin may be there for a very long period of time and people need to be protected against possible accidents or adverse events or leakage from that basin.
That brings us to the very vexed issue of liability. The Senate committee were happy to accept most of the House committee’s report, but part of our reference pointed specifically to these issues of liability and that is what occupied a lot of our attention. Long-term liability was an issue of great contention and we heard evidence on both sides of the argument about whether the Commonwealth should assume the liability or whether the company should assume liability. Senator Milne made very well, I think, the arguments about why it is a problem. Companies must understand that it is their responsibility when making the application, first of all, to ensure that the carbon dioxide can be sequestered securely and that there are no long-term consequences from it. Once the closure certificate has been issued, it is also up to the company to ensure that that is maintained in the way described. Obviously where the company no longer exists—and we are looking at very long periods of time—and where there are problems then it would clearly fall to the government to address these issues. But the Senate inquiry specifically recommended that the government makes very clear that it will not under normal circumstances accept long-term liability for any problems that arise after the closure certificate.

In doing that, the committee clearly accepted that this may cause difficulties for companies. This is a technology that is clearly not operational other than in a pilot phase at this time—and hopefully it will move as quickly as possible into a fully operational system. But we do not yet know a lot of the difficulties companies will face—the cost of building pipelines, of drilling down, of doing environmental assessments, and of making the sites secure and safe; and that will be a costly process. They then have to look at getting insurance for a liability that will continue for a long time into the future. We did hear from the Otway Basin carbon dioxide CRC that they had some difficulty in getting insurance for their project.

This was not a decision that the committee took lightly, but in the end we did accept that the precedent of the Commonwealth accepting long-term liability for this kind of venture might have unforeseen consequences and we did also accept that the common law in this instance is well accepted, well developed and should cover the kinds of situations that we may be looking at well into the future. It is indeed very difficult, as has been suggested, to set any kind of time limit on when the companies might have liability which would then be taken over by the Commonwealth. Twenty years has been suggested. But we are looking at a very long-term project, and it is difficult to know what kind of situation we may be looking at in 50 to 100 years time. I think the common law is the kind of law which is flexible enough, which includes those kinds of negligence provisions and which would see us able to deal with any incidents into the future.

This is the one strong instance where the Senate committee differed from the House committee, in recommending that the government makes very clear that it will not be accepting this liability, that it is the companies who are involved right from the beginning in applying for these permits that should, right at the end, after the closure certificate has been issued, also be responsible for ensuring that that remains a safe and secure site.

I commend the government for putting forward this legislation. Now that the legislation is going through the federal parliament, I think the states should be able to follow fairly quickly behind. It is certainly my hope that the states do very quickly follow with their own legislation dealing with carbon capture and storage so that we do have a very clear legislative regime applying around
Australia, because we understand that many companies are willing to proceed with this technology as soon as possible.

In that respect, I also commend the government on the carbon capture and storage initiative announced by the Prime Minister. As I said previously, I think the carbon storage technology is really fairly well understood. It is in the area of the most effective and efficient means of carbon capture and transport that we need quite a lot work to be done. To join in the knowledge and technology from around the world in this global initiative is, I think, very definitely the way to proceed. Everyone in the world has these problems with carbon emissions. We certainly have excellent people involved in the research and technology in Australia, but it is an excellent measure to get involved with other people around the world in a group effort to try to ensure that we can put in place these very important technologies as soon as possible.

Senator Milne was expressing concern that this technology could not be implemented fast enough. I think the money that the Australian government is putting into this global initiative, which will be headquartered in Australia, of coordinating national centres around the world is indeed money well worth being spent. We do have a number of coal fired power stations around Australia and we do need to deal as urgently as possible with the carbon emissions from those coal fired power stations, and the quickest and most efficient way to do that is for Australia to use world technology to deal with technology gaps that we have and to develop collaborative research on this project and collaborative technology so that we can implement this technology as soon as possible. Whether or not we lead the world is not important as long as Australia is doing as much as it possibly can to deal with carbon emissions from coal fired power stations.

Senator Farrell (South Australia)

I am please to have the opportunity to speak on this important piece of government legislation. The Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and related bills deal with some of the more innovative aspects of what the current government is planning to do on the issue of energy. My own state, of course, has been a pioneer in lots of these areas. As Senator Bernardi would know, we lead the country in wind power. You may be smiling, Mr Acting Deputy President Parry, but what I am saying is true. We are innovators and leaders in South Australia in energy and, in particular, new forms of technology in the energy sector. One of those areas that you might be interested in is, of course, wind power. We have now developed about 45 per cent of Australia’s wind power resources, yet we have only nine per cent of Australia’s population.

Senator Bernardi—The smartest nine per cent!

Senator Farrell—Yes. I do not often agree with things that Senator Bernardi says, but on this occasion I would have to concede that it is the smartest nine per cent in the country. Because we are smart in South Australia and because we have often had to do more with less, we have managed to develop new technologies that the other coal rich states have been able to ignore.

It is a great pleasure for me to be able to talk about the fact that this is one of those areas where the Rudd Labor government is moving to deal with issues that confront not just the state, not just the country but the world. We know that greenhouse gases continue to pose a very significant threat to the planet through climate change. I am privileged to be on the Senate Standing Committee on Rural and Regional Affairs and Transport, which is currently looking at the issue
of the Coorong. We can see daily the effects of climate change on our community, the way it is affecting irrigators, the way it is affecting farmers and the way it is affecting the lives of the people who live in my state. Because of the problems of greenhouse gases we have to develop realistic, practical responses to deal with the issues of climate change and carbon.

This bill seeks to develop the sorts of technologies that enable the government and industry to work together to capture and store carbon, because it is the capture and storage of the carbon that is going to be critical to this country making its contribution towards addressing the pressing issue of climate change. Some people may criticise the government for investing in research and development to make coal emit less carbon into the atmosphere. But those critics would be wrong, because this is something that we must now do. We have no choice. Climate change is here. It is upon us and we are seeing the effects daily, as anybody who lives along the Murray will tell you, and so we have to invest our resources. We have to put our money where our mouth is and we have to find real, practical solutions in the research and development so that we make coal emit less carbon.

Carbon storage is just one of the aspects of the Australian government’s response to the climate change issue. I am very privileged that the person responsible for the climate change portfolio is a fellow South Australian, Senator Wong. She has a whole range of programs to try and deal with this issue, and this is one. Some of the other ways in which we are proposing to deal with the issue of climate change is in the areas of solar power and wind energy. I have already spoken about wind energy and how we produce about 45 per cent of the wind energy that goes into the national grid.

Solar power is also one of the areas in which South Australia has been leading the country and, because South Australia has lots of fresh air and lots of light, we are in a position to take maximum advantage of the new technologies that we are developing in solar power. Already households receive significant government rebates to install solar panels, and the government has ensured that this money is spent in the best way in which to promote, create and develop the solar industry. I mentioned before that we are leaders in wind power. If you go to the Fleurieu Peninsula, on any day you will see the turbines wheeling away there, producing that power and pumping it into the grid.

Unfortunately, though, the reality of our present circumstances is that there is no immediate suitable substitute for coal, so while solar is good and wind power is good, some of the new technologies like geothermal have great promise. I was fortunate enough to meet with Beach Petroleum the other day. They have got perhaps one of the most innovative programs in geothermal energy, and I suppose it is fair to say that there are a couple of competing technologies in that area to harness the geothermal activity and turn that into grid power. Unfortunately, at the moment when you combine all those other alternative forms of energy there is still no way of replacing the amount of energy that we get from coal and coal fired electricity.

I think geothermal does have the long-term prospect of providing that solution but some of the technology still has a little way to go. I am not sure how familiar people with the concept of geothermal: you pump water underground and you run it over what they call ‘hot rocks’. This is nature’s clean, green nuclear energy, because the heat that is provided by these rocks is nuclear related. It heats up the granite underground and you run the water through the rocks and you then run the water back to the surface. That water
then runs turbines that produce electricity. One of the difficulties that some of the new technologies have in this area is that they cannot get the output to match the input: either too much water or too little water is coming through. I think that is going to be one of the areas where more research and more innovation is required. (Time expired)

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Parry)—Order! It being 12.45 pm, I call on matters of public interest.

National Association for the Prevention of Child Abuse and Neglect

Senator ARBIB (New South Wales) (12.45 pm)—I would like to take this opportunity to bring to the attention of the Senate an organisation that is doing outstanding work and providing positive solutions to one of the most important challenges facing our society. The National Association for the Prevention of Child Abuse and Neglect, NAPCAN, is a charity organisation, as the name suggests, that is committed to bringing about changes in individual and community behaviour to stop the abuse and neglect of children. NAPCAN believes that the best way to reduce incidents of child abuse and neglect is to prevent them from happening in the first place. NAPCAN works directly with children and young people to strengthen protective behaviour, to build resilience and life skills and to assist ‘at-risk’ parents through face-to-face programs.

Some of the NAPCAN programs being undertaken include ‘KiDS CAN’, a participatory program that helps build resilience and social inclusion skills for adolescents; ‘LOVE BiTES’, a program that provides anti-sexual violence assistance for 14- to 16-year-olds; and ‘Smart Online Safe Offline’, a program that works within the cyber social networking sites to raise awareness and strengthen protective behaviours. It is so important in this technological age, where kids are online almost non-stop, to have programs like these. We have seen all the predators that are online, and we have seen the networks that the paedophiles have set up, and it is crucial that our children have the training they need to build up a resistance to that. These programs are important in curbing the high rate of child abuse and neglect in our community. If you can equip children with the skills and confidence they need, you build the best possible shield to abuse and you allow children to recognise abuse when it is happening to them.

Two weeks ago, in case members of this chamber have not heard, was National Child Protection Week. The aim of the week was to increase public awareness of child abuse and neglect. The theme of the week—‘Children see, children do: make your influence positive’—was aimed at educating parents and adults about their behaviour in front of children and how their behaviour influences their own children. Children watch and copy what adults do. We all know that; we all say that, but what that means is that adults can really make the difference. Currently in Australia our children see two million adults drinking at high, risky levels and over 450,000 women being abused by their partner. If we are to break the cycle and prevent future child abuse and neglect, adult behaviour must change. It is not just the parliament’s responsibility or the responsibility of policymakers; it is the responsibility of everyone.

During the week there were a number of events and promotions held around the country. This was done with the help of many community sponsors, the help of government and the help of a number of corporate donors and sponsors, and I would like to thank a few of them. I would like to thank commercial TV stations Channel 9 and Channel 7 and
also pay TV channel Foxtel for the assistance they provided in running commercials for the week. It was a fantastic donation, a very generous donation that they made—coming out of their community service obligation—and a very important part of the campaign. I would also like to thank two of our members in the other place, the member for Fremantle, Melissa Parke, and the member for Macarthur, Pat Farmer, who organised a very successful function in the parliament with representatives of NAPCAN, which went very, very well, to raise the awareness of this issue with our parliamentary colleagues. At the time, a number of speakers came forward, and the most moving one, to me, was a victim of abuse in the past, and she spoke very eloquently to the assembled parliamentarians. Speaking comes very easily for people such as us, who speak for a living, but to see someone who had been abused as a teenager and who did not have the skills or the confidence to speak stand up and speak to 30 or 40 politicians and policymakers blew me away. It was fantastic and just showed the success that programs such as these are having and why they are so important and why government must be there to support them financially.

I believe that child abuse and neglect have, in a number of ways, historically been ignored by society. I consider it to be an issue that many still believe should not be spoken about. Unfortunately for victims, they suffer from feelings of guilt and shame. Sadly, it is a problem that is more common than most people believe or give credence to. I would like to provide the chamber with some facts about child abuse. In 2007 there were more than 58,000 substantiated notifications of child abuse and neglect in this country. Also in 2007, almost 35,000 individual Australian children were found to have been abused or neglected. These figures are astounding, and it is a shame on us, on all of us as a society. When we see one child abused or neglected is a shame but when we see figures as high as this, the issue must be taken more seriously at every level.

The long-term personal and social burden of child abuse is horrific. There is evidence that child abuse is a significant factor in mental illness, drug and alcohol abuse, physical ill-health and difficulties that children have in education, leading to criminality. Many children that have been abused indeed go on to abuse their own children or even other children, thus trapping them and their children in a cycle of abuse. No child deserves this sort of treatment. Children have a right to safety in their own home and in care.

The economic costs of child abuse are something that rarely gets talked about either. These costs are significant. According to the Productivity Commission, the cost of child protection and out-of-home placements alone was approximately $1.7 billion. And, unfortunately, not enough is being done on early prevention. It is estimated that for every $300 spent on child protection only one dollar is spent on prevention. Because of facts like these, sadly child abuse and neglect are increasing in this country. In a rich and prosperous country like Australia, it is horrifying that so many children are vulnerable to risk and the damage it is causing them.

This is an issue that affects all of us, and all of us have a role to play in eliminating it from our society. Much more must be done, and it has to be done in cooperation: government working with community organisations and with law enforcement organisations; policymakers making a difference to help vulnerable children in need.

Mr President—Acting Deputy President, I am sorry; I have given you a promotion today—

Senator Bernardi—He deserves it.
Senator ARBIB—That is right. He is doing a great job. There have been recent incidents in the media that I am sure many of you have read. You only need to open up a Sunday newspaper to see how many incidents are happening against our children. The recent spate of events, including neglect in the Blue Mountains where a number of children were left for two or three weeks by their parents, have shocked me. Going further, the stories of abused children photographed and displayed on the internet have upset me greatly. In this digital age stringent laws are required to prevent abused children being exploited by nefarious individuals on the internet. As I said, the recent case of children living in squalor without parents in the Blue Mountains is so difficult to understand. How can a parent leave their children in a situation like that, especially children who had serious medical difficulties? How can we as a community not recognise these children living on their own without parents? I found it difficult to understand that reports had been made to the RSPCA concerning the dog on the premises rather than reports to child welfare authorities. The question you have to ask is: why is it easier to ensure the welfare of our pets than the safety of our children?

NAPCAN is not a huge organisation. It is a small team who work long hours and who are dedicated and committed to the importance of this great cause. To this end I would like to congratulate NAPCAN, its staff and its board for the fine work they do in delivering these programs and raising the awareness of the general public to this very important issue. I would especially like to congratulate Maree Faulkner, the CEO of NAPCAN, someone I have been working with over the past month. Maree is a fine and decent person who works tirelessly in promoting fund-raising and developing programs for the NAPCAN organisation.

I cannot overemphasise the importance of this issue to me as a senator. As a parent I find these issues abhorrent. The welfare of my own children and the welfare of all our children is of critical importance. This parliament and the members in this chamber and the other place in the past had a committee that dealt with the issue of child abuse and neglect. Unfortunately it has fallen away and does not operate at present. My belief is that this parliamentary group should be re-formed as a matter of urgency, and that is something I will be working towards. I have had numerous discussions with members on the other side of both chambers, including Pat Farmer and Helen Kroger. It is something we will be working towards very soon, to get the parliamentary group re-established to raise awareness of members of parliament and to raise awareness of the policymakers to ensure that this matter receives the serious attention and the funding that it deserves.

Emissions Trading Scheme

Senator BOSWELL (Queensland) (12.58 pm)—Could I associate myself with Senator Arbib’s remarks. Today I want to bring to the Senate further feedback on the government’s proposed emissions trading scheme. In particular I wish to canvass response from the rural sector. Even though agriculture will not form part of the scheme until 2013, the industry will be hit hard from the very beginning. The government’s scheme will lead directly to increased cost of inputs such as electricity, fuel and fertiliser. If our international competitors do not have a similar scheme in place, we stand to lose markets and viability across agriculture.

The Land reported last week:

Current ABARE chief, Phillip Glyde, said whether or not agriculture was shielded or not from being part of a scheme, the impacts on the sector through the use of emission intensive inputs would be significant.
The Australian Food and Grocery Council stated:

It is industry’s view that any emissions trading scheme which does not include international emitters represents a real threat to the packaged food and grocery industry.

… … …

Obligations imposed up and downstream of the farm gate mean that carbon costs will be passed through the food supply chain to consumers … This will undoubtedly result in significantly higher food, beverage and grocery prices for Australian produced products.

Former ABARE chief Dr Brian Fisher is reported as saying:

… the government should focus its domestic climate change policy on adaptation because it will be “years” before there is an international agreement on emissions trading between the 190 countries involved in the ongoing negotiations.

With eight plants located through southern Australia, Murray Goulburn Co-Operative processes over 35 per cent of the nation’s milk supply into quality products which are sold on both domestic and export markets. Murray Goulburn directly employs approximately 2½ thousand people, mostly in regional Australia. The co-op is wholly owned by dairy farmers.

The size and ownership structure of Murray Goulburn means that it plays a vital role in the success of the Australian dairy industry. The capacity of Murray Goulburn to extract returns from international and domestic markets establishes the farm gate returns of the majority of Australian dairy farmers, including those that do not supply milk to MGC.

Furthermore, all of MGC’s milk is produced and processed in regional Australia, and any impact on MGC has a major and direct follow-up effect on the regional economy. Murray Goulburn believes that the inherent risks of emissions trading outlined by Professor Garnaut have not been addressed in the proposed CPRS and that changes to the proposal must be made to address inequities that would lead to unfair burdens on some sectors and to poor environmental outcomes.

The Australian dairy industry is highly trade exposed. For example, as the largest processor of milk in Australia, MGC could not pass on the cost of a CPRS to consumers. Rather, it is Australian farmers such as the owners of Murray Goulburn who would bear the brunt of the cost, leading to a reduction of overall industry competitiveness and to carbon leakage to other less affected dairy industries.

Australia’s major competitors in dairy markets will not have comparable schemes in the short to medium term. The proposal to exempt imports from any exposure to the scheme provides overseas companies with a direct competitive advantage. Most dairy lines can be freely imported, and there are already significant imports of dairy products from New Zealand.

Murray Goulburn says that the proposed CPRS will arbitrarily penalise producers in industries that undertake significant processing in Australia or who operate in high-value, low-margin business. When applying the green paper to the real world situation—Australia’s $9 billion dairy industry—Murray Goulburn found many inequities and data gaps.

I now turn to the submission of Rockdale Beef, which details the cost it would face under the proposed carbon scheme. Rockdale Beef is one of Australia’s largest feedlots and beef abattoirs, exporting to many countries and engaging more than 500 people in regional New South Wales. Rockdale processes over 55,000 tonnes of beef per annum and is estimated to generate $2 billion of economic activity in the regional area. The abattoir processes 180,000 cattle per annum
and the feedlot has a peak capacity of 53,000. Approximately 70 per cent of the product is exported.

Rockdale Beef has been involved in developing an integrated biomass project on site. The facility would use manure and liquid waste in a combination of technologies to produce electricity, heating and cooling and fertiliser. Rockdale recognises that these projects need to have the potential to be cost-effective in their own right and not rely on funding to make them economic. It says that the real issue facing it is a changing economic environment which challenges the feasibility of agriculture in Australia and discourages large-scale investment of this type. As with coal based power plants, these facilities expect an operational life of over 30 years, which represents a significant commitment from the owning corporation in terms of capital and risk.

The uncertainty in the agriculture sector and unclear issues surrounding the CPRS have hindered the very investment that the government wishes to encourage. Rockdale Beef also produces approximately 13,000 kilotonnes of high-grade tallow per annum and sells this product to a number of pet food and cosmetic users. Rockdale has developed a project to produce biodiesel directly from tallow during processing. Tallow biodiesel is recognised as having significant advantages over fossil fuel from an environmental perspective, without impacting on the food chain. Yet the proposed CPRS appears to disadvantage biodiesel from a sales point of view.

Then we turn to the cost of livestock emissions themselves. At 100 grams a day, over two years each animal would be responsible for 1.679 tonnes of CO2. There is very little opportunity for the farmers to offset these emissions and the cost will be passed forward through the supply chain to the abattoir. With an intake of 180 head per annum, Rockdale would need to purchase $6 million worth of permits per annum—$33.60 per head—and would need to pass the cost onto the customers. Furthermore, at a stocking rate of 50,000 head, the feedlot would need an additional $840,000 per annum to offset its emissions due to on-site ruminant activity.

As Rockdale make clear in their submission:

This is an untenable situation as Rockdale’s export competitiveness will be lost immediately and/or the farmers growing cattle for Rockdale will be forced out of business.

They estimate that the impact of the CPRS in 2010 would see the abattoir’s electricity, gas, fuel and water costs rise by $520,000, which will need to be passed on to export customers. They make the point that they should be an emission intensive trade exposed industry, but will not be eligible until 2015. Rockdale will be exposed to price rises from 2010 to 2015 without assistance. Cost increases will reduce Rockdale Beef’s export competitiveness with non-participating countries. Because the current economic situation is not conducive to large-scale investment, the planned biomass facility will delay the biodiesel plant. Opportunities for generating offsets from these innovations have been virtually lost. The cost of direct emissions from liquid waste management will be $90,000 in 2015 based on a $20 per tonne of CO2 cost.

These scenarios are of serious concern to Rockdale Beef and its foreign owners. Agricultural investments are usually expected to generate a five per cent return. By 2015 the direct and indirect cost increases from the CPRS will result in the Rockdale project becoming unviable in Australia unless there are significant shifts in international demand. This is their foreboding conclusion:

As Australia beats the path forward, other countries without such policies become more attractive for agribusiness investments. This is unfortunate,
given the potential for this business and other agribusinesses, to make the required savings through new technologies. Given a choice of re-investing to stand still, or moving an investment to another country and increase earnings, foreign owned businesses such as Rockdale may find themselves moved to more financially attractive countries. The challenge for Australia is to generate carbon reductions without compromising its future economic sustainability.

The NFF are very concerned that the rural sector’s financial capacity to engage in a majority permit auction will be restricted and place financial stress on the sector, from which many may not be able to recover. The NFF strongly disagrees with the comment in the green paper that:

... firms will generally pass the carbon cost through to consumers for emissions intensive goods.

Agriculture’s capacity to pass on costs is notoriously poor, meaning that many farmers will be forced to absorb the vast majority of the cost of these permits. The NFF also takes issue with policies that provide incentives for forestry which have the potential to lead to significant perverse outcomes in areas such as water run-off, groundwater hydrology on neighbouring farms, biodiversity, social structures and Australia’s ability to continue to make a contribution to global food and fibre supplies.

The dependence of many rural communities on a single agricultural industry makes the economic risks of a CPRS higher for regional Australia than for urban Australia. Using Australian Bureau of Agriculture and Resource Economics data, approximately one-third of total broadacre farming input costs are energy dependent. This includes direct costs such as fuel and electricity, as well as other energy-dependent farm costs such as freight, fertilisers and crop contracting. This figure increases to a substantial 45 per cent of input costs for cropping operations.

The NFF also recognises that a CPRS will inevitably lead to increased costs throughout the complete agricultural supply chain—costs that in most cases will be borne by farmers in the form of lower prices for their produce. Farmers’ returns in horticulture are already suffering from a flood of cheap imports used in Homebrand products on supermarket shelves. Icons like Golden Circle and SPC Ardmona are under great strain trying to compete as it is. Golden Circle advised growers just a couple of days ago that they will take one-third less pineapples than last year. Imports of processed tomato products rose 19 per cent last year alone. In 2005-06, imports of prepared or preserved vegetables, fruit and nuts amounted to $837 million. As the carbon scheme reduces the competitiveness and profits of Australian produce, farmers will simply stop farming. Then our food security will suffer.

The NFF makes the crucial point that in the context of the current global shortage of food, Australian farmers must not be forced into a position where the only way that they can meet their liabilities under a CPRS is by reducing production. The Australian Chamber of Commerce and Industry has cautioned that smaller businesses will incur the impact of rising energy costs with little or no capacity to pass these on. There are no no-cost options for a scheme that will have no measurable effect on future climate.

Faced with all these threats to jobs and rising living costs for working families under the government’s Carbon Pollution Reduction Scheme, what does the union movement do? What action are the unions taking to ensure the jobs and incomes of their members? They want a right to strike on climate change issues! ACTU President Sharan Burrow called last week for 18 new enterprise bar-
gaining laws to include the rights of workers to bargain over climate change solutions. Instead of defending workers’ jobs, the ACTU is out to abolish them. If workers insist on carbon reduction in their workplaces or enterprises, they could well vote their jobs out of existence because of the higher costs of production. It defies belief that in this time of financial crisis, the Rudd government is going to throw our major industries to the high-emitting wolves of international trade.

The ACTING DEPUTY PRESIDENT—Senator Boswell, your time has expired.

Senator BOSWELL—I seek leave to incorporate the remainder of my speech in Hansard.

The ACTING DEPUTY PRESIDENT—Is leave granted?

Senator McLucas—No, we have not seen it.

Leave not granted.

Petrol Prices

Senator LUDLAM (Western Australia) (1.14 pm)—I wish to raise the issue of the recent increase in the price of crude oil on world oil markets to over US$125 per barrel, particularly in the context of the big spike in trading on Monday night where at one stage crude prices jumped $25 a barrel in the largest single rise in oil prices since the index began. Yet there had been no developments, no inflammation of tensions in the Middle East or anything that would justify such an extraordinary jump in the price of a staple commodity. It was just the latest example of wild swings in prices on the world financial markets that defy old-fashioned notions of the fundamentals. I do not think for a moment that we could put that price spike in the context of peak oil. The scary thing is that the markets do not yet appear to have priced in peak oil, even in the context of the current record high prices of oil.

The world faces an oil crisis. Global consumption greatly exceeds the discovery of new oil reserves. In 2005, 32 million barrels of oil were extracted and used around the world, while only five million new barrels of reserves were discovered. This demand and supply pressure will lead to a peak in world oil supplies followed by a significant fall, regardless of rising demand, resulting in a worldwide scarcity of oil and unprecedented competition and conflict over remaining supplies. We will not be able to say that we were not warned.

Domestic oil supplies are obviously under a great deal of pressure. National oil demand is rising rapidly. After the discovery of large quantities of oil in Bass Strait in the 1960s and off the North West Shelf of WA, almost none has been found in Australia since. Our country’s oil self-sufficiency will fall, it is estimated, from 84 per cent to about 20 per cent during the next two decades, resulting in large national oil trade deficits. And again, we will not be able to say that we were not warned. We have seen this coming.

It appears, however, that we are simply not ready. Our cities are not ready and, if anything, it is going to be harder to shockproof regional communities against rising world oil prices. Petrol prices in regional areas—at least in Western Australia, which I know of—are already vastly higher than those people are paying in metropolitan areas. These are the places where any Fuel-watch scheme cannot reach once you get out of metropolitan areas. No-one has any idea whether oil vulnerability studies are being planned or are underway. No-one seems to be in charge. No-one really is looking to prepare and shockproof the Australian community against inevitable rises in the price of one of the most important foundation commodities to the world economy.
There are some welcome moves. The Building Australia Fund was announced after the last election. We need to know to what degree that fund and its board will be investing in fossil architecture, such as coal port expansions and new freeways. We need to know whether we are still in the mindset of preparing Australia for the challenges of the 1950s or whether that fund will be investing in a post-fossil architecture more appropriate to the 21st century.

We need to know what will become of AusLink funding. In the last round of estimates, under questioning by Senator Milne from the Australian Greens, we had the rather dismal spectacle of the appearance of state and federal bureaucracies and ministries on autopilot, planning for the continued roll-out of new freeways because that was the way it was always going to be. The Greens took to the last election the proposition of a roads to rail policy where for the first time the Australian Commonwealth government needs to get involved in funding public transport, not just in our metropolitan areas but in regional areas as well. The roads to rail policy suggested that a large proportion of AusLink funding should be rolled into regional and metropolitan rail and public transport. That is the kind of nation-building infrastructure that is appropriate for the 21st century, not more freeways, not expansions to coal ports.

Lastly, as to the Senate inquiry which tabled its unanimous findings in February 2006, we wonder what has happened to all those recommendations. There were no minority reports submitted—the Greens certainly did not. We agreed with the recommendations. Senators Milne and Siewert spent an awful lot of time taking evidence with that community. It seems we are still drifting along, we are still sleepwalking into this one and the degree to which Australia appears to be completely unprepared is quite alarming. We want to know whether the recommendations of that Senate inquiry were ever taken up. At what state is the Commonwealth government in planning for the post-oil age? Probably the most significant thing heard by that inquiry was that peak oil is a reality. We can still debate around the date—whether the rollover began in 2005 when production of cheap oil peaked or whether that rollover period is still a few years into the future is irrelevant. We know now that this challenge is upon us. It is not something our grandkids are going to need to worry about. This is here for us right now.

Are ABARE and Treasury reassessing official estimates of future oil supply? We would like to know whether that recommendation was taken up. Are they taking into account the concerns expressed in the world energy outlet for 2006? The current trends in energy consumption are neither secure nor sustainable. Has that been re-evaluated? Concerning the national biofuels target, in recommendation 3 the committee recommended:

...that the government publish the results of its review of progress towards meeting the biofuel target of 350ML per year, including which companies are meeting the target.

We would like to know whether we are funding adequately lignocellulose ethanol research in demonstration facilities and whether that funding is appropriate for those very interesting developments. Most of all we need to know who is the lead agency. Who is coordinating Australia’s response to peak oil in this age where one of our most fundamental inputs into the world economy is going to peak, to start declining and to become very expensive. We will not be able to say that we were not warned. We are still waiting to hear from the Rudd government as to what state of preparation our country is in.
Emissions Trading Scheme

Senator BOSWELL (Queensland) (1.21 pm)—by leave—I understand the remainder of my speech has been shown to the Parliamentary Secretary to the Minister for Health and Ageing and she has agreed to let it go forward. I thank her for that. I seek leave to incorporate the remainder of my speech in Hansard.

Leave granted.

The remainder of the speech read as follows—

The Rudd government with ACTU backing is sending our exports into world combat with no covering fire. This is a time when we need all our competitive and financial horsepower to navigate the globe’s economic woes. I urge the Rudd government to delay the Carbon Pollution Reduction Scheme, to put it on the backburner until the smoke clears on the international economic horizon.

Child Abandonment

Senator POLLEY (Tasmania) (1.21 pm)—I rise to speak on a matter of public interest: the issue of child abandonment. In July 2008 the body of a newborn baby boy was found in a green shopping bag at a bus stop in Shepparton, northern Victoria, with his torn umbilical cord still attached. The baby may have been left abandoned for 48 hours in cold, wintry conditions before a local Shepparton farmer discovered the little boy. Just two weeks before that, a baby boy was found wrapped in newspaper on the driveway of a Campbelltown home. He had died of exposure. The boy’s mother, just 18 years old, was charged with manslaughter and criminal neglect.

Baby Catherine was abandoned last year, in 2007, by her mother outside a Dandenong hospital. As many of you may remember, there was much media surrounding the abandonment of Catherine. A Melbourne man generously offered a $300,000 home for Catherine’s mother if she came forward. Others offered donations for her future education. Despite the numerous appeals, her mother has not come forward. Six weeks later, baby Joan was abandoned on the doorstep of a Sydney church. She was found in a cardboard box, suffering from hypothermia.

Dr Karen Healy, Associate Professor in the School of Social Work and Applied Human Services, University of Queensland, believes that the manner in which Catherine and Joan were abandoned demonstrates that they were both very much loved by their mothers. They were left in very public places where they could be found quickly. Both had torn umbilical cords, which demonstrated they were probably born without medical assistance. This can be dangerous for both mother and child.

Why would a mother abandon her baby? Take the case of a young Irishwoman who abandoned her baby in a Gold Coast toilet block. Her pregnancy itself was associated with secrecy and shame. The 21-year-old woman left her home in a rural township in Ireland five months before giving birth. Her family were unaware of the pregnancy, and the young woman continued to deny she was pregnant during her stay in Australia. These factors made it impossible for the young woman to make the transition to parenthood.

The mother’s own desperate circumstances can provide another reason for abandoning a child.

These heart-wrenching stories keep appearing in the media. It is time we did something about it. In the early 2000s the United States enacted legislation—infant safe haven laws—to provide legal abandonment of newborn babies. Texas was the first state to enact legislation that provided a mechanism by which mothers or fathers could legally abandon their infants under certain conditions. These laws are commonly referred to as safe haven, baby drop-off, baby Moseses
or legal abandonment laws. Since the passage of Texan safe haven legislation, virtually every state in the US has passed some form of safe haven law. The main idea behind the legislation is that young women will be discouraged from killing, causing physical harm to or abandoning their babies if offered incentives. Two of the main incentives are anonymity and immunity from prosecution.

The introduction of safe havens means that mothers can leave their babies at the haven without any requirement of providing information about themselves or the baby. These mothers will not be charged with criminal abandonment. Safe havens in the United States are typically fire and police stations, hospitals and community houses. Laws vary from state to state. Each state limits how old the infant may be when relinquished. Seventeen states place the maximum age of an infant that can be relinquished at three days. Fifteen states permit a child to be abandoned up to a month after birth. Other states have extended the time limit to 60 days—such as South Dakota and Texas—and even to 90 days, as is the case in New Mexico.

I held several meetings on my recent visit to the USA wherein I discussed the practical, emotional and political success or otherwise of this legislation. Safe havens secure a baby’s physical wellbeing and offer support to their mother. Babies receive immediate medical care if required and the long-term security of care or adoption is assured. There have been instances in Japan and the US where mothers have used safe havens to relinquish their disabled newborns. This was not intended by policymakers. Although this is very disappointing, at least these babies will receive the medical attention, care and love that they deserve. All children deserve to be protected from harm’s way. If we can save just one child from being abused or left to die, then this legislation is worthwhile.

There is no evidence to support the claim that safe havens result in more abandonments. As a society we should be more understanding as to why a parent would resort to abandoning a baby. Very little is known about parents who abandon their children. These parents may be scared, may have financial concerns or may be suffering from mental illness. Research shows poverty is also a root cause of child abandonment. Political conditions such as difficulty in adoption proceedings may contribute to child abandonment, as can the lack of institutions such as orphanages to take in children whom their parents cannot support. Societies with strong social structures and liberal adoption laws tend to have lower rates of child abandonment. Nevertheless, the reality is that it does happen. The question that needs to be asked is: what can we do to help? What can we do as policymakers?

Whether or not abandoning a baby will constitute a criminal offence in Australia will depend on the particular circumstances of the case and factors such as whether the baby has died or suffered harm as a result of being abandoned. In several jurisdictions in Australia it is a criminal offence to endanger the life of a child by abandonment or exposure. In the Australian Capital Territory, the Northern Territory, New South Wales and Queensland it is a criminal offence to unlawfully abandon or expose a child under a certain age where the child’s life is, or is likely to be, endangered, or the child’s health is, or is likely to be, permanently injured. The maximum penalty for these offences throughout Australia ranges from three to seven years.

In my home state of Tasmania it is an offence for any person over the age of 14 years to wilfully ill-treat, neglect, abandon or ex-
pose a child under the age of 14 years, or to
cause a child to be ill treated, neglected,
abandoned or exposed in a manner likely to
cause the child unnecessary suffering or in-
jury to their health. The prosecution must
prove that the accused had had the means to
look after the child. The charge of this of-
fence is the ill-treatment of children. Tasma-
nia’s Criminal Code Act 1924 does not spec-
ify the maximum penalty for this offence; the
penalty will be determined in accordance
with the Sentencing Act 1997.

In South Australia, if a baby dies or suf-
fers serious harm as a result of being aban-
doned by a parent, guardian or other person
who has assumed responsibility for the
baby’s care, that person may be guilty of the
offence of criminal neglect. The maximum
penalty if the baby dies is 15 years impris-
onment. If the baby suffers serious harm, the
maximum penalty is five years imprison-
ment. There are no equivalent provisions in
Victoria. Other offences may apply in Victo-
ria depending on the circumstances of the
 case—for example, conduct endangering life
under section 22 of the Crimes Act 1958
where a person who abandons her baby can
also be found guilty of the offence of failing
to provide the necessities of life. In some
jurisdictions it is an offence for a person to
fail to provide a child with the necessities of
life such as food, clothing and lodging where
that person has a duty to do so.

In New South Wales, Queensland and
Western Australia, it is also an offence for
the parent of a child under 16 years of age to
wilfully and without lawful or reasonable
cause desert the child and leave it without
means of support. The prosecution must
show that the parent did have the ability to
maintain the child. All these states have im-
prisonment as punishment for this offence. If
as a result of being abandoned the child dies,
进一步的法律责任也可能适用于某些
情况——例如，如果在某些情况下，有
意隐藏婴儿的死亡。

The laws in each state are inconsistent and
are often confusing. We need uniformity be-
tween the states and we need to act quickly
to avoid more tragedies. Any child’s death is
a tragedy, but these senseless deaths may
have been avoided if safe haven legislation
existed in Australia. If safe havens were pre-
sent in Australia then these children may
have had a chance. It seems to be a simple
choice, really. Safe havens can help save
children’s lives, and that is exactly what we
should be considering in the wake of the two
recent cases in Victoria and South Australia.
If a mother knew that there was a place where
she could go to safely leave her child and ensure
that she would not be prosecuted, I am sure
we would not be reading headlines about
newborn infants dying through abandon-
ment. Surely, we should be doing all we can
to help save these children’s lives.

Baby safe havens or similar frameworks
are in operation in Germany, Italy, Pakistan,
Hungary and Austria. In South Africa there
has been enormous success. The not-for-
profit organisation Door of Hope set up a
‘hole in the wall’ in August 2000 at the Mis-
sion Church in Johannesburg. By June 2004
about 30 babies had been left there. That is
30 babies who now have a chance in life. In
August I wrote to every state Attorney-
General and the federal Attorney-General,
the Hon. Robert McClelland, regarding baby
safe havens. I look forward to their re-
ponses.
Why am I calling for the introduction of baby safe havens? Because we need to protect those who cannot look after themselves. We need to consider the best interests of the child as well as looking after the mother, who obviously needs support. It must be a very difficult circumstance in which a mother abandons or gives up her baby. I cannot begin to imagine the pain she would feel or the position she must find herself in if she sees the only option is to abandon or give up her child. Giving up a child that one cannot care for is surely better than abandonment. I believe the federal government has a role in ensuring that this issue is considered and we should be working with the states to bring about uniform legislation based on what I have outlined as a means of protecting those who cannot speak for themselves.

Child abuse and neglect continues to be Australia’s greatest social problem. Approximately 10 babies are abandoned each year in Australia. There is no consistent or reliable method for collecting data across jurisdictions on the number of babies who are abandoned in unsafe places. The best assessment of the problem comes from a search of newspaper articles. They may be significantly underreporting the actual extent of abandonment because they only reflect abandonments that are reported in the media. Some cases may never be publicly reported, whereas others may never be discovered. We need to have public discussion on the issue to ensure that any new laws cover all the questions in response to baby abandonment—questions about who can accept a relinquished baby, what the responsibilities of a safe haven are, whether the safe havens are protected from liability, the rights of the relinquishing parents, the children’s rights and the fathers’ rights.

We need a comprehensive and supportive response that enables parents to address the reasons behind the ‘need’ to abandon. There is evidence to suggest that, once these reasons are addressed, many of these parents will want to retrieve their babies—for example, the young Irish woman I spoke about earlier. She returned to Australia to retrieve her child. Even if the parents decide that they are still unable to care for their child, initial contact with them will help to leave the door open to future contact with the child. This is important, because knowing where we come from and who our biological families are is very important to most people. It is in the interests of both the child and the mother that we seek to understand and support the mother rather than condemn her at a time that is undoubtedly one of great distress for her.

Whilst the predominant response to baby abandonment has been at a state level, I believe we must act at a federal level with a focus on research and funding. We need a comprehensive solution to a complex problem. I see the introduction of safe haven laws as only one component of a much larger reform effort. Safe havens are a short-term solution. Long-term solutions would address the core causes of abandonment. Long-term solutions would promote education, awareness and prevention. However, it is important that we provide the short-term solution of safe havens to prevent harm to children while a deeper understanding is gained and more comprehensive responses are developed. Parents who abandon their babies in unsafe places may have fallen through the cracks in a web of social service systems. Rather than creating another system to try and catch them, it would be useful in the long term to identify those cracks and enhance the ability of current systems to care for these families. Safe haven laws should be used as a stepping stone to long-term solutions. After all, what is a child’s life worth?
Carers

Senator BERNARDI (South Australia) (1.35 pm)—I rise today to speak about carers and the valuable contribution that they make to our community. In 2003 the Australian Bureau of Statistics estimated that there were almost 2.6 million carers in Australia. One-fifth of these were primary carers and over half of all carers were women. Access Economics estimated that carers provided 1.2 billion hours of care in 2005. This is the annual equivalent of over $30½ billion worth of formal care services. Carers save the government, the taxpayers and the community an enormous amount of money. They also provide much needed support for tens of thousands of people with disabilities, and they do it with compassion and love. They play a vital role in our community and they are an integral part of our society. I believe that they are in fact the unsung heroes of Australia.

The coalition government recognised the important contribution that carers made to our society. In 1999 the coalition introduced the carers allowance as an income supplement for people who provide daily care to children and adults with disabilities. From September 2004 the allowance was extended to eligible carers who did not live with the person they cared for. The coalition government extended the eligibility for the carer payment and increased the number of hours of work, education or training a carer could undertake each week without losing the carer payment. We took it from 10 to 25 hours.

This had the effect of increasing the number of carer payment recipients from 25,000 to 105,000. It also increased total spending on carer payment from $182 million in 1995-96 to an estimated $1.2 billion in 2005-06. The coalition government also initiated the carer bonus and gave it every year from 2004. This bonus went some way to alleviating the costs experienced by carers. Carer payment recipients received a $1,000 bonus and carer allowance recipients received a $600 bonus. Over the last four coalition budgets, the amount provided to carers in bonus payments totalled more than $1.3 billion.

Apart from these income supplements and bonuses, the coalition provided payments to assist with the purchase of necessary support, new peer support groups for carers, additional respite services and recognition of young carers, among many other programs. During the 2007 election campaign, we also promised to extend the utilities allowance to carer payment recipients, something that the ALP has said ‘me too’ on and has since enacted.

Of course, unlike the Labor Party, the coalition acknowledges that a great deal more needs to be done. I want to remind the Labor government that it cannot ignore these great Australians any longer. It is now time to look at the plight of carers—carers who are suffering at the inactive hands of this uncaring government. Never before in the history of this great nation has a government been in such a position to provide additional support to those who most need it. The Rudd government is sitting on a $23 billion surplus—that is $23 billion that could be partly used to ease the needs of thousands of carers. But we should not really be surprised, because this was a government that in March this year plunged carers into the realm of uncertainty when it refused to rule out cutting the carers bonus.

Of course, the government will give us lots of words about how they are conducting an inquiry into better support for carers, as if that is some sort of justification for their inaction, but the inquiry will not report until next year. There are some carers who simply cannot afford to wait for additional support.
In fact, the most recent edition of the other place’s magazine, About the House, features many stories from those struggling carers. Peter from Melbourne gets a fortnightly carers allowance for looking after a close friend. He says he does an average of a 12-hour day and his benefit amounts to ‘about 59c an hour’. He says:

My 59 cents an hour is mostly absorbed in fuel for the motor car and medication.

… … …

There are many carers who are at a point in their life where accumulating fatigue makes an already difficult undertaking even more challenging.

He says:

… carers need respite as much as those we care for need carers.

Carreen Dew from New South Wales is only 20 years old. She has been caring for her younger brother, Alec, for nine years. Alec has multiple disabilities that require him to breathe through a tracheotomy. She says:

It’s been very hard, my dad doesn’t live with us and I was 12 when my brother was born, so straight away I became the second parent of the house.

My brother has had over 150 hospital admissions, so when he’s in hospital I’m in charge of the house doing all the cooking, cleaning and getting Alec’s twin to and from school.

… … …

My brother can’t breathe through his mouth and he has to breathe through a tracheotomy so when I was 12 I had to learn to change it weekly. He also can’t eat because of this and he has to be fed through a gastrostomy button in his stomach and that also has to be changed regularly. So from an early age I was learning how to do some pretty scary things and it didn’t always go to plan.

… … …

Even at night you constantly sleep with one eye open and in the past nine years my family has only had two nights where we have been relieved of this responsibility, so the need for respite care was definitely one of my main points to tell the committee.

Maggie from Sydney is only 20 years old and cares for her mother, who has a spinal cord injury, and also has a brother with a disability. She says:

We save every penny we can get. It’s very financially hard for us with the cost of medication, household bills and paying off the home loan. Basically my mum’s disability pension goes towards the home loan and my carer’s payment goes on food, electricity, bills and medication.

My sister has also just been diagnosed with rheumatoid arthritis so her medical bills are just going through the roof—it’s $400 just to get a scan to see what’s wrong and we don’t have that money. We have to save it up.

Lisa Humphries from Sydney is 35 years old. She only was only 16 when she and her younger brother became carers for their mother after she suffered a severe brain injury from a car accident. Her mother has since passed away from cancer. Lisa says:

Being a young carer was so difficult—it was really isolating. The time when I was at school as a 16, 17 and 18 year old, it was just horrendous to try and study as well as look after someone with a brain injury.

… … …

When she was diagnosed with breast cancer in my 20s, I then quit work and cared for her full-time. I recall I went on the carer’s pension which was about $200 per week, it basically only paid for me to clothe and feed myself, that was it. As someone in my 30s, I am now 10 years behind my friends and peers in financial terms because I couldn’t earn anything or grow my career.

For 22 years Cathy cared for her sister, who suffered a brain injury. She says:

I am finding it difficult to keep up both my caring roles but keep on pushing myself. I do not know how long I can keep this up without support, particularly housing.

She identifies the common issues for carers as being:
... stress from the demands of caring every day coupled with day to day issues of existence, financial constraint from being a carer, loneliness, lack of opportunities such as education, work, recreation and being devalued by society.

Jill and Will from Perth are parents of a daughter with a disability. They say:

We are both in our late 50s and the future of our 26-year-old daughter is a constant worry. Once we are unable to care for her for a variety of reasons, what happens?

These are just some of the thousands and thousands of stories that carers from across Australia have to tell. They have told me, they have told Senate committees and they have now had their stories told in the About the House magazine. What is happening with it? What are we doing about it? Frankly, the Rudd government is doing nothing.

Those on the other side claim they have had a recent conversion to conservatism. They have had this great epiphany and they have declared themselves to be conservatives. But let me tell the people of Australia that they are pretenders. They are pretenders because true conservatives, of which I am proudly one, would not—could not—be as cold of heart as the Rudd Labor government.

True conservatives do not regard others as part of the general collective in which the identity of the individual is ignored. True conservatives do not check their compassion at the door of government. True conservatism is sympathetic to the plight of the pensioner, the carer and those living with disabilities. True conservatives do not dither and seek excuses not to act in the face of human problems; they extend a helping hand to those most in need. True conservatives are compassionate conservatives and this compassionate conservative will continue to fight against the Rudd government, which is prepared to debase the dignity of the individual by ignoring the urgent needs of our carers and pensioners. At a time when this government continually boasts about its $23 billion surplus, it is a shame and it is a tragedy that carers are forced to experience such heartache and distress as I have outlined today.

This is not about accounting, it is not about numbers, it is not about winning votes; it is about people. Politics is about people and these people work very hard for very little financial reward. These people do an unsung duty by all other Australians. They work very hard and they care for others. These carers sacrifice so much to provide a better quality of life for their family, for their loved ones and those that they care about.

Let me tell you that the coalition puts people before politics. If putting people before politics—which is declared a stunt by the Labor Party—is some sort of crime, well then send in the bailiffs and you can lock us all up because we will continue to advocate for people before the inaction and the politics driven media cycle of the Rudd Labor government. We will not stop fighting for people with a disability. We will not stop fighting for carers and we will not stop fighting for families—all the things that the Labor government have chosen to ignore. On behalf of the coalition, this is our commitment and we will continue to drive this Rudd government until they provide much needed relief to those most in need.

Sitting suspended from 1.47 pm to 2.00 pm

QUESTIONS WITHOUT NOTICE

Age Pension

Senator ABETZ (2.00 pm)—My question is to the Minister representing the Prime Minister, Senator Evans. Why did the government deny single age pensioners an immediate increase of $1,000 per year given the revelation that Treasury actually modelled that suggestion before this year’s budget, as shown in this document?
Senator CHRIS EVANS—What this government did when it met to consider its first budget was consider the adequacy of the rate of pension paid to pensioners, people with disabilities, carers and our veterans. In doing so we had formed a judgement previously that the rate of support for those persons provided through the social security system was such that many of them were doing it tough, that the income support they were getting was not allowing them to cope with the financial circumstances that they faced in a way that we thought was appropriate. So, when we sat down to frame our budget, the government took a decision to provide an immediate down payment to those pensioners, carers, people with disabilities and veterans to try to increase the disposable income that they had as a result of that budget.

Despite the interjection from Senator Minchin, we actually made bonus payments and new payments to pensioners in excess of what had been provided by the previous government. The best example of that is the utilities allowance, which was increased from a payment of $100 or so to a payment of $500—a $400 increase. That was made and paid in the budget. We also paid a bonus payment of $500, which had been paid the previous year by the Howard government—I concede that—but which had not been budgeted for in the out years. It was a one-off payment which had no budget allocation in the out years when we came to government. We had to find the money, because it was not budgeted for.

The average age pensioner was $893 a year better off out of the budget. That is effectively an increase of $17 per week. We did that as a down payment, but in doing that we acknowledged that it did not adequately address the concern that rightly existed about the income support provided to pensioners; that it did not fundamentally address the issue of the rate of the pension and the package of benefits that is paid to pensioners; and that more fundamental reform was required rather than just paying one-off bonuses. Within months of coming to government we paid the extra money in the form of the utilities allowance and the $500 bonus and committed to a major review of the pension, a major review of the fundamental underpinnings of that pension and the rate that is paid. We realised that serious public policy work needed to be done and we set about doing that serious public policy work.

As the Senate is aware, in February the report coming out of the review will be available—and the secretary of the Department of Families, Housing, Community Services and Indigenous Affairs is leading that work as part of the broader taxation review. When we get that information the government will then make a decision as to which way to move forward. As I say, in the meantime, we provided a down payment in our first budget within months of coming to office and we have undertaken the serious public policy work that will try to address the very justified concerns pensioners have about the standard of living that is affordable to them under the current income support payments.

Senator Minchin interjecting—

Senator CHRIS EVANS—Despite the interjection from Senator Minchin, we actually made bonus payments and new payments to pensioners in excess of what had been provided by the previous government. The best example of that is the utilities allowance, which was increased from a payment of $100 or so to a payment of $500—a $400 increase. That was made and paid in the budget. We also paid a bonus payment of $500, which had been paid the previous year by the Howard government—I concede that—but which had not been budgeted for in the out years. It was a one-off payment which had no budget allocation in the out years when we came to government. We had to find the money, because it was not budgeted for.

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Senator Abetz—Mr President, I seek leave to table the Treasury document to which I referred in my original question.

The PRESIDENT—Is leave granted?

Senator CHRIS EVANS—No, Mr President. The normal courtesies are that the opposition senator makes the document he intends to table available to the opposition so that we can look at it before it is tabled. If Senator Abetz wants to follow the normal courtesies, Senator Ludwig will get back to
him within minutes and, if it is okay, we will give leave then.

Senator ABETZ—Mr President, I am sure that Senator Evans and Senator Ludwig have been poring over that document all morning with great embarrassment, but I will give them another look at it so that it can be tabled. Mr President, I ask a supplementary question. Why won’t the government simply do the right thing and grant Australian pensioners a $30 per week increase?

Senator CHRIS EVANS—I actually have not had the advantage of seeing the FOI document.

Senator Abetz—I’m not interested’—that would be right!

Senator CHRIS EVANS—No, Senator, I am more interested in the public policy issues than stunts. All I know about cabinet decisions on an increase to the pension is that in 11 years the Howard government did nothing. We know that Mr Brough took a proposal to the Howard government cabinet and that some of the senators opposite decided to do nothing. What we have done is embark on fundamental reform of the pension system. That will occur, and, in the meantime, we have paid a down payment to pensioners to assist them in the short term. We are serious about reform of the pension and we are serious about assisting pensioners, and we would appreciate support from the opposition on serious public policy issues rather than a continuation of stunts.

Economy

Senator MOORE (2.06 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Can the minister update the Senate on any recent commentary about the Australian economy’s capacity to cope with the current global economic circumstances?

Senator CONROY—I thank Senator Moore for that question. The Rudd government have been open and honest about the challenge that our economy faces on the international front. We are now facing some of the most challenging times in global financial markets in more than a quarter of a century. We have consistently made the point that our economy is not immune from those global difficulties. However, we have also consistently maintained that the Australian economy, including our banking sector, is in a strong position to weather these international effects.

The responsible economic policies that the Rudd government are implementing will ensure the ongoing strength of our economy in the long term. This includes our budget back in May, which struck the right balance between eliminating the reckless spending of those opposite, delivering substantial relief to working families and providing that platform to enable investment in future productive capacity. This budget was framed with the difficult global economic circumstances in mind and in the knowledge that working families were doing it tough after 10 consecutive interest rate rises from those opposite. That is why we delivered a strong $22 billion surplus to buffer our economy from global difficulties, take the pressure off inflation and enable responsible nation-building investments.

The International Monetary Fund article IV report on Australia released overnight strongly endorses the government’s economic policy settings. The IMF has provided support for the government’s view that, while we are not immune from global difficulties, we are in better shape than other countries. The IMF stated:

Looking ahead, Directors considered that the sound macroeconomic framework should permit Australia to weather the global downturn and contain inflationary pressures.
That is from the IMF public information notice. Importantly, the IMF commended the government’s budget, noting:

Directors welcomed the support that prudent fiscal policy is providing for monetary policy. They noted that the reduction in public spending growth in the latest budget will help reduce inflation, and the intention to save any further positive revenue outcomes in 2008/09 will allow the automatic stabilizers to work.

That is a direct quote. The IMF also commended our decision to establish three new infrastructure funds for long-term investment in health, education and infrastructure.

We welcome the IMF’s positive assessment of Australia’s economic performance and prospects. It is a ringing endorsement for the Rudd government’s responsible, long-term approach to economic management. However, we cannot rest on our laurels. The IMF has backed the government’s fiscal policy. It is time that those opposite did so as well. I call on those opposite to heed the words of the IMF and to support the government’s budget initiatives. As the IMF has recognised, we are currently facing considerable global uncertainty. The nation cannot afford opportunistic economic vandalism from those opposite. (Time expired)

Age Pension

Senator BERNARDI (2.11 pm)—My question is to the Minister representing the Prime Minister, Senator Evans. I refer to the minister’s false claims about the coalition’s record on the pension. Will the minister confirm that modelling undertaken by the Treasury and released yesterday under freedom of information confirms that, as a result of the coalition decisions when in government, the pension is now $2,183.80 higher than it would otherwise have been?

Senator CHRIS EVANS—I thank Senator Bernardi for the question. I am at a bit of a disadvantage because he did not refer to what claims I had made, so I am not quite sure of his reference. He refers to Treasury modelling which I have not seen, so I am not able to help him with the detail of that. What I can say is that I saw some modelling the other day by NATSEM which indicated that pensioners had gone backwards significantly between 2001 and 2005. I actually thought there were some flaws in that modelling; I did not think they had made a proper assessment in that they had excluded a number of factors which I thought would be relevant. But one can have duelling modelling on these things, I suppose.

I think the real point of all this is that the government have made an assessment that, in the current economic circumstances, pensioners are doing it tough and that the current rate of pension and support for pensioners is not allowing them to live in a manner which we think is acceptable—that they are under too much financial pressure. That is driven by a range of factors: a higher rate of inflation, increased costs of petrol and a range of other factors. It is also true that it is not a ‘one size fits all’ analysis. I think there are questions that impact on how people are going. One of the questions is whether or not people receive rental assistance. I know that in my own state there has been a real problem for people trying to rent private accommodation given the huge increase in costs. That affects people on fixed incomes, as it does others. I think some of the research I have seen indicates that different groups of people within the broad category of pension recipients are having slightly different experiences and slightly different impacts, but fundamentally the answer to Senator Bernardi’s question is that the government accept that pensioners are doing it tough. That is why we made an immediate down payment in our first budget by paying the $500 bonus and by increasing the utilities allowance from $100 to $500, and also by paying
bonuses of $1,000 and $600 to carers and extending the eligibility for the utilities allowance.

We made in excess of $5 billion worth of investment in assisting those people with immediate relief. And in doing that we said, ‘That’s not enough; we need to do much more fundamental reform to income support for pensioners.’ We have set about doing that serious public policy work, and no doubt the Treasury modelling will assist us in that endeavour but that is a piece of work that is in progress. It will be brought to a conclusion in February and we will have the benefit, then, of all the various sets of modelling, various views and expert opinion to bring all that together in a government response. But, as I said, we moved quickly to provide extra income support for pensioners through the budget and we are tackling the much larger public policy question of how we fundamentally deal with the structural issues that underpin pension and other income support measures.

Senator Bernardi—I note that the minister cannot recall what he said yesterday. I also note that in his answer he said that pensioners cannot afford to live. I seek leave to table the Treasury document.

The PRESIDENT—Is leave granted?

Senator CHRIS EVANS—I assume that Senator Bernardi is attempting to table a different document than that which Senator Abetz just sought to table, and I would advise him with the same advice I gave Senator Abetz: if he observes the normal courtesies in the chamber and shows us the documents then we will—

Senator Ludwig interjecting—

Senator CHRIS EVANS—Apparently we have just been handed it so maybe I will allow Senator Ludwig to respond.

Senator Ludwig—One of the difficulties in this chamber is that if the tactic is to provide documents as we proceed through question time then it does interrupt the flow of question time. The issue is that we are just having this document checked. It does not appear to be the complete document. I wanted to take the opportunity, as with Senator Abetz’s document, to work towards ensuring that the documents are tabled, but the appropriate time is after question time, and we will be able to provide a proper response at that time.

Senator BERNARDI—I am disappointed that leave is not being granted, but I ask the minister a supplementary question. Why won’t the government simply do the right thing and give a $30 rise to the pensioners? Would the minister please explain and justify his heartless government’s decision to the pensioners that are in our gallery today?

Senator CHRIS EVANS—First of all I reject most of the assertions in Senator Bernardi’s supplementary question. Cheap political stunts like that do him no credit. I would have thought that, as the spokesman for carers and disability pensioners—

Honourable senators interjecting—

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

Senator CHRIS EVANS—As I was saying, I thought Senator Bernardi, as spokesman in this chamber for carers and people with disabilities on behalf of the Liberal opposition, would not have had the gall to raise these issues, given that the bill presented by the opposition totally ignored them—left them behind. For Senator Bernardi to come in here and say he is concerned, when those people he is supposed to represent on behalf of the Liberal Party have been excluded, does him no credit at all.
Nuclear Waste Repository

Senator LUDLAM (2.19 pm)—My question is to the Minister representing the Minister for Resources and Energy, Senator Carr. When is the government intending to repeal the Commonwealth Radioactive Waste Management Act 2005—an Australian Labor Party election promise, a commitment made in chapter 5 of the ALP national platform 2007 and a commitment made in an unequivocal press release exactly one year ago this week by Senator Carr when in opposition?

Opposition senators interjecting—

The PRESIDENT—Senator Ludlam, I will ask you to repeat the question because it was not able to be heard by me, up here, because of the noise on my left.

Senator LUDLAM—Mr President, I would be delighted to repeat the question. When is the government intending to repeal the Commonwealth Radioactive Waste Management Act 2005—an Australian Labor Party election promise, a commitment made in chapter 5 of the ALP national platform 2007 and a commitment made in an unequivocal press release exactly one year ago this week by Senator Carr when in opposition?

Senator CARR—I thank Senator Ludlam for his question, and I thank him for providing advance notice. It is quite clear that the Greens are asking serious questions on these matters, and are seeking serious answers—unlike those opposite. Let me say, straight up, that the government will honour the promise it gave in September last year. Minister Ferguson has advised that we will repeal the Commonwealth Radioactive Waste Management Act 2005. We will base future decisions about waste management on solid, agreed science and we will not be making decisions without proper consultations with state and territory governments and local communities. The government will not be taking piecemeal steps or making ad hoc decisions on radioactive waste management. We want a total package to solve this problem once and for all.

That is what Minister Ferguson is working on. The need for a national radioactive waste repository is clear, and it has been since another colleague of mine, Mr Crean, started working on this project in the early 1990s. Radioactive waste is already stored at over 100 different locations around Australia: in government stores, in universities, in hospitals and in factories.

Opposition senators interjecting—

Senator CARR—What, I take it you would like to continue storing waste—

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

Senator CARR—in filing cabinets, as is the current situation. It has been stored—

Opposition senators interjecting—

The PRESIDENT—Please resume your seat, Senator Carr. I will wait for order to be restored. Senator Carr.

Senator CARR—Nuclear waste is of course stored at Mount Walton East in Western Australia and at Esk in Queensland. It is stored at Woomera in South Australia and at Lucas Heights in New South Wales. It is stored at Defence and at CSIRO facilities around the country. It is stored right here in the heart of Canberra at the Australian National University. It includes everything from contaminated rubber gloves and discarded smoke detectors to by-products of nuclear medicine. This is Australia’s waste and it is up to us to actually do something about it. Just about everyone in this chamber seems to agree on that principle. I remind the Senate that it was the shadow minister for resources and energy, Senator Johnston, who recently pointed out: ‘I’m not going to make a politi-
‘I think it’s in the national interest to have a repository for this, these low-level radioactive isotopes,’ and he said, ‘Let’s get on with it.’ He made that point as recently as 9 June.

Senator Ludlam himself has written on his GreensBlog:

What is urgently needed is a properly deliberative process about what to do with this material …

Perhaps in the light of reasoned debate we will find that the best option is long-distance shipping to a remote site. But Australia needs to have that conversation.

The government do agree that deliberation is essential and that consultation is essential, and we believe that a detailed scientific analysis is essential. We do not believe in imposing solutions by ministerial dictate. The government have to finalise our own legislation before we can repeal the existing act. The legislation will acknowledge Australia’s responsibility for its own radioactive waste. It will provide for the storage of waste under proper supervision and with appropriate safeguards. It will deliver a practical, long-term solution to a problem that has been with us for decades. I hope—I trust—that all senators will support that legislation when it comes before the chamber.

Opposition senators interjecting—

The PRESIDENT—I remind senators on my left that Senator Ludlam has the call. It is not your question.

Senator LUDLAM—I would just draw the minister’s attention to the first word of my question, which was ‘when’. Mr President, I ask a supplementary question. Will the minister confirm that, on repeal of this act—

Opposition senators—Turn up the microphone.

Senator LUDLAM—the Muckaty site outside of Tennant Creek—

Opposition senators interjecting—

The PRESIDENT—Please resume your seat, Senator Ludlam. You are entitled to be heard in silence. Those on my left should not interject; it serves no purpose in assisting Senator Ludlam to ask his question. Senator Ludlam.

Senator LUDLAM—So I ask you, Minister, through the President: when will the government repeal this legislation; and, when that occurs, will the Muckaty site outside Tennant Creek also no longer have legal status and be repealed in accordance with the April 2008 resolution of the Northern Territory Labor Party conference? Will the ALP Commonwealth government respect the rights and jurisdiction of the Northern Territory government?

Senator CARR—For Senator Ludlam I would point out that the government is entitled to actually hear the question if you are seeking an answer. What I will repeat is that the government has yet to finalise its own legislation and it cannot finalise it before it repeals the existing legislation. In regard to Muckaty Station I might draw your attention to the fact that Indigenous communities have been closely involved in the process of site selection—and Indigenous communities hold a range of views on the issues, of course, just as non-Indigenous Australians do. On 11 June this year the Northern Land Council said:

“Traditional owners … know how important it is for Australia to find an environmentally acceptable site, by agreement, so all Australians can continue to receive benefits such as medical treatment from nuclear medicine.”

It went on to say that the traditional owners expressed ‘overwhelming support for the nomination of their country’ for this proposal— (Time expired)
Australian Federal Police Raid

Senator BRANDIS (2.27 pm)—My question is directed to Senator Evans, the Minister representing the Prime Minister. I refer the minister to the AFP raids on the home of the Canberra Times journalist Mr Philip Dorling yesterday morning. Can the minister inform the Senate of the reason for the raids? Is it not the case that the raids related to the article by Mr Dorling which appeared under his by-line on 14 June this year?

Senator CHRIS EVANS—Thank you, Senator Brandis, for the question. I understand that such a raid did occur and I have read the reportage of that, but my advice is that there is an ongoing AFP investigation and it would not be appropriate for the government to comment on that until the investigation is completed.

Senator Brandis—Mr President, I rise on a point of order. I have carefully avoided directing any aspect of this question to any operational matter. It has been the convention in this chamber and in estimates committees—and I would invite you to rule on this—that a question in relation to an agency such as the AFP that is not directed to operational matters is in order and therefore the ground of objection taken by the senator to answering the question is impermissible.

Senator Chris Evans—Mr President, on the point of order: there is no point of order. Senator Brandis seeks to debate whether he likes my answer, but I gave him a very—

Opposition senators interjecting—

Senator CHRIS EVANS—I told him my answer.

Senator Brandis—You declined to answer.

Senator Chris Evans—No, that is not right. Anyway, I do not mean to debate this. Mr President, I gave Senator Brandis my answer. He may not like it, but there is no legal point in relation to that. I am happy to take his supplementary question, but there is no point of order.

The PRESIDENT—Order! On the point of order, as Senator Brandis knows I am not able to instruct the minister how to answer the question or what to answer. I draw to the minister’s attention the question that was asked by you and ask the minister if he has anything further to add to his answer.

Senator Chris Evans—I have nothing further.

Senator BRANDIS—Mr President, I ask a supplementary question. Given the minister’s refusal to answer the question notwithstanding your invitation to do so, Mr President, how does the minister’s attitude sit with the Rudd government’s commitment announced by his colleague Minister Ludwig on 24 May 2007 to provide shield laws to journalists and to review laws that criminalise reporting of matters of public interest?

Senator CHRIS EVANS—As Senator Brandis well knows there has been a long-standing precedent that we do not comment on investigations that are continuing. I refer to him that I had advice, but it would be inappropriate for me to comment on the AFP investigations.

Senator Brandis—I rise on a point of order in relation to relevance. The supplementary question was directed to the statement of Labor Party policy by Senator Ludwig concerning shield laws for journalists, and to the significance of his refusal to answer the primary question in relation to Senator Ludwig’s statement. It was nothing to do with operational matters at all.

The PRESIDENT—On the point of order, as you know there is no way I can instruct the minister to answer the question in a particular manner. I draw the minister’s attention to the question and the issue of rele-
inance. The minister has 40 seconds remaining to answer the question.

Senator CHRIS EVANS—I did not get to all parts of the senator’s question because I had only got 20 seconds into it. As I was going to go on to say, there is no conflict between this most appropriate response on behalf of the government relating to a live investigation and the government’s commitment to provide better protection for journalists as they carry out their work. Our commitments in that regard will be delivered as with all other election commitments made by this government. I see no conflict between that and not commenting on a current AFP investigation. I am sure Senator Brandis knows that. (Time expired)

Economy

Senator POLLEY (2.32 pm)—My question is to the Minister for Superannuation and Corporate Law, Senator Sherry. Can the minister update the Senate on the current global market situation and how the government and Australia’s independent regulators are responding to these major events?

Senator SHERRY—Thank you to Senator Polly for her question. As I am sure those in the chamber would be aware, I have from time to time provided some regular updates about events in our global markets that have been very fast moving. Indeed, there is a change every 24 hours given the current circumstances of the US subprime meltdown and the financial crisis that has impacted right around the world.

In recent times, several large, brand name US investment banks have disappeared or have been swallowed up, and the investment model on which they operate has been discredited. The US banking system and the financial system are in very poor shape, and the upheaval has been causing havoc on world financial markets, particularly stock markets. We operate in a global financial economy. Unfortunately we are not immune to these impacts in Australia, as we have seen with the lack of stability on our stock market in particular.

But it is fair to say that we are weathering the storm better than most of our comparable peers, and particularly the United States. In the IMF article IV report card on Australia released this year, which my colleague Senator Conroy referred to earlier, our strengths are set out very clearly. The IMF said that Australia’s strength is the result of responsible economic management. The report said: Looking ahead, Directors considered that the sound macroeconomic framework should permit Australia to weather the global downturn and contain inflationary pressures.

The IMF also confirmed that our ‘banking sector is sound with stable profits, high capitalisation and few nonperforming loans’. The report said that Australian banks have weathered the global financial turmoil reasonably well and that the four large banks that account for two-thirds of bank assets continued to report strong profits through early 2008, together with adequate capital. This is of course in stark contrast to many banks in the United States. The IMF has also commended the Labor government on the long-term reform agenda. It concluded that its successful implementation will improve the economy’s flexibility and expand its productive capacity. The Labor government welcome the IMF’s assessment, but we are not resting on our laurels. We on this side of the chamber understand the need for responsible economic management in times of heightened global uncertainty.

I would like to take this opportunity to inform the Senate of another example of this government taking action to protect and strengthen our financial markets in these uncertain times. Yesterday I released the draft of the Corporations Amendment (Short Sell-
ing) Bill 2008. The bill is being released and is intended to establish a comprehensive disclosure regime for covered short selling. Should our independent regulator—

Senator Abetz—Yes, funny that!

Senator SHERRY—The amendment will actually amend the Corporations Act 2001, which was passed by the previous government. Unfortunately, the previous Liberal government left a gap when it came to the disclosure of covered short selling. Unfortunately, this has become a matter of major importance given current events on the markets. So, as I have said on many occasions, despite the ill-informed views of the opposition and the ill-informed interjections that we have just heard from Senator Abetz, the government has no intention of putting in place a permanent legislative ban on— (Time expired)

Senator POLLEY—Mr President, I ask a supplementary question. Can the minister inform the Senate of any ongoing alternative approaches to dealing with these globally critical issues?

Senator SHERRY—As I have said, this government intends to correct the gap and close it in respect of the disclosure of covered short selling and the Corporations Act 2001. It is a very important change in terms of disclosure in the context of current markets. What we do need to see also from the Liberal opposition, particularly during these uncertain financial times, is a responsible approach to the budget. They should cease their raid on the budget. We need a healthy budget surplus in these uncertain financial times. We need an important buffer, an important cushion, in these uncertain financial times. The Liberal opposition should stop attacking our budget and should stop criticising the independent financial regulator, ASIC, in respect of the actions it has taken—an independent regulator that they created with commissioners that they appointed and with powers that they gave to their independent regulator. (Time expired)

Economy

Senator ELLISON (2.38 pm)—My question is to the Minister for Superannuation and Corporate Law, Senator Sherry. Does he remember saying yesterday in the Senate:

What I have said on many occasions is that the government would not legislate to control short selling.

I refer the minister also to the first line of his press release, issued yesterday, which said:

Senator Nick Sherry, Minister for Superannuation and Corporate Law, has today released the Government’s draft legislation to require the disclosure of covered short sale transactions on Australian financial markets.

In view of the conflicting statements, I ask the minister: did he mislead the Senate with his answer yesterday or did he simply not know that he was about to release draft legislation doing the exact opposite of what he had said in the Senate?

Senator SHERRY—Unfortunately, there was obviously no-one listening on the opposite side to the answer that I have just given or, indeed, to the answer I gave yesterday on this matter. As I said yesterday in response to a question, I have said on many occasions in speeches, publicly, at various meetings over the last six months, the government has no intention of legislatively banning covered short selling in this country.

Senator Abetz—You said ‘controlling’.

Senator SHERRY—We have no intention of banning it.

Senator Abetz interjecting—

The PRESIDENT—Order! Interjections are disorderly.

Senator Abetz—We know what controlling means.
The **PRESIDENT**—Order, Senator Abetz! There is a time to debate these things at the end of question time, if you like. You continually interject. It is disorderly.

**Senator SHERRY**—There is a clear distinction—and I would have thought that even the opposition could understand this—between a legislative ban, which we do not support, and legislative amendments to disclose covered short selling. As I have just explained—and, unfortunately, given that question, I have to explain it again—there is a very important distinction between the government saying, and as I have said on many occasions: we will not legislatively ban short selling.

**Senator Abetz**—Mr President, I rise on a point of order on relevance. We know that the minister may have on many occasions said that the government would not ban short selling, but on page 17 of yesterday's *Hansard* the minister is quoted as saying:...

...the government would not legislate to control short selling.

We are not talking about the word ‘banning’; we are talking about controlling and that is substantially different. I would invite you, Mr President, to ask Senator Sherry to be relevant to the question that was actually asked, not the one that he was hoping he might be asked.

The **PRESIDENT**—On the point of order, there is no point of order. As you know, Senator Abetz, I cannot direct the minister how to answer the question or what to say in answering the question. I can draw the minister’s attention to the question that was actually asked and to being relevant to the question.

**Senator SHERRY**—I would argue that, notwithstanding the intervention by Senator Abetz, the intention of the legislation that I released yesterday is to disclose covered short selling.

**Senator Abetz**—It’s a control mechanism.

**Senator SHERRY**—The control of short selling in this country is exercised by the independent regulator, ASIC. ASIC has the ability and has exercised that, and it is a power that your government gave ASIC to control and ban—to control the way in which it is utilised in the market and to ban it if it wished. ASIC has chosen to impose an interim temporary ban on short selling. It is controlling it. What I have indicated through my press release yesterday and in previous comments is that this government are going to act on a gap left in the Corporations Act by the previous Liberal government in respect of the disclosure of covered short selling and the transactions in the Australian financial markets. We want open disclosure of these transactions in order to ensure a fair, transparent and competitive market.

The Corporations Amendment (Short Selling) Bill which I have released for a four-week exposure period is in preparation for possible future removal by ASIC, the independent regulator, of the current halt on most types of covered short selling—ban or control, however the opposition wants to have it—that was put in place. It is ASIC that has put in place an interim temporary ban and controls on covered short selling in this country.

In recent days our key regulators, both the independent regulator, ASIC, and I might say, the ASX when it comes to naked short selling, on Friday evening put prohibitions, temporary bans—interim controls, if you like—on covered short selling. That has been carried out independently. That is something that I have said time and time again is not within this government’s power, and we have no intention of legislating in respect of it. What we do intend to legislate on is the disclosure. I had already outlined this yesterday. I outlined it in an earlier question. Unfortunately there is a lot of conversation and debate about short sales and the opposition are
just showing that they believe a short sale is a summer sale at David Jones. *(Time expired)*

Honourable senators interjecting—

The PRESIDENT—When there is quiet, Senator Ellison, I will give you the call. Order! Senator Ellison.

Senator ELLISON—Mr President, I ask a supplementary question. The minister has mentioned the short-selling ban imposed by ASIC over the past few days. Does he support those actions, and does ASIC still have his confidence as a result of those actions?

Senator SHERRY—This may be your last question, so all the best to you, Senator Ellison.

Opposition senators interjecting—

Senator SHERRY—I am just extending a courtesy—

The PRESIDENT—Senator Sherry, address the issue.

Senator SHERRY—and I am happy to extend a courtesy to a colleague who is leaving after a long period of service. As I have indicated on many occasions, both publicly and here, ASIC and the ASX acted in respect of naked short selling on Friday. Then, in terms of the international developments by other regulators around the world, they proceeded to a full ban on covered short selling. It is an interim ban, and ASIC will reassess that ban in 30 days in respect of non-financial stocks on the ASX. I have welcomed that ban. Given market circumstances, the turmoil and the uncertainty we have seen, I welcome that ban, that prohibition, that control, if you like. This government will ensure, quite properly, that we will close the gap in respect of disclosure. *(Time expired)*

QUESTIONS WITHOUT NOTICE

Age Pension

Senator XENOPHON (2.46 pm)—I direct my question to Senator Evans, the Minister representing the Minister for Health and Ageing. In light of the difficulties faced by people living on the age pension, as well as calls for the pension to be raised by $30 a week, does the minister agree that the provision of concession cards for seniors could help ease the burden? Further, can the minister confirm that a South Australian pensioner who decides to visit their grandchildren interstate will pay the full cost for public transport and other services interstate? Can the minister confirm that a seniors card holder living in Albury will not have their seniors card entitlements recognised if they cross the river to Wodonga? Does the government support Australia-wide uniform conditions and benefits for seniors concession cards?

The PRESIDENT—The Minister representing the Minister for Health and Ageing on this occasion is Senator Evans.

Senator CHRIS EVANS—Thank you, Mr President. I am actually not. The question was correctly directed to me but in the wrong capacity. I am representing the Minister for Families, Housing, Community Services and Indigenous Affairs, who is responsible for the area. I appreciate the question. I think it is fair to say that the issues raised by Senator Xenophon are a focus for the government.
As he knows, in the budget we concentrated on the helping seniors make ends meet package.

One of the things we have been very keen to do is to try and extend the concessions that are available and try and regularise those. As senators would be aware, the federal government already issues to all pensioners—those on age pension, carer payment, disability support pension and others—a pensioner concession card. This entitles them to a range of benefits, concessions and allowances. Self-funded retirees who exceed the eligible income level have access to the Commonwealth seniors health card. That card also has a range of benefits, including the seniors concession allowance and pharmaceutical concessions.

As the senator indicated, there are other seniors cards issued by various state and territory governments to their residents which have a whole range of different concessions and variations to the rules around them. I know it has been of concern to many seniors that those concessions are not consistent and also that those concessions are not transferable. We are working with state and territory governments to introduce national reciprocal transport concessions, and that is the major focus at the moment. I know former Senator Patterson attempted to do this in her period as Minister for Family and Community Services.

In this year’s budget we did allocate $50 million over four years to allow the provision of reciprocal public transport concessions to holders of seniors cards issued by those various state governments. Currently, there are only limited reciprocal arrangements in place to allow seniors card holders to receive concessions on public transport services when they travel interstate. We understand the frustration older Australians have about the lack of transferability and the fact that those entitlements stop at state borders. When they visit interstate relatives or go on holiday, they are denied those benefits.

So it is a focus for us. We are working with the state and territory governments to try to have those concessions in place for all seniors card holders by 1 January 2009. That work is ongoing. I know there has been bipartisanship across the chamber on this endeavour for some time but without much luck, I have to say. As I said, this government has committed $500 million over four years to try and drive the achievement of that objective, which I think is supported by everyone. It is currently a focus for us, with the focus on the public transport area, but there is work going on with state and territory governments and we have allocated in this year’s budget funds to help make it happen.

**Broadband**

Senator MINCHIN (2.51 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. I ask the minister if he has seen a recent article by the respected Alan Kohler speculating that wireless broadband could be faster than fibre optic within two years. Has the minister sought any advice from his department on these forecasts and how they impact on his national broadband network? In particular, has the minister sought advice on Mr Kohler’s conclusion that the losing bidder for the national broadband network could simply build a rival wireless broadband network and, in Mr Kohler’s words: ‘destroy the economics of the fibre-to-the-node network’? Finally, could...
the minister make an attempt at crafting an answer that has at some least some relevance to the question?

Senator CONROY—May I thank Senator Minchin. I think that is almost my first question in my portfolio capacity. The Rudd Labor government supports all broadband developments, be they delivered over fixed line, wireless or satellite technologies. The importance of different broadband technologies is highlighted in the statistics released by the ABS on 22 September 2008. For example, the ABS showed that wireless broadband technology subscriptions saw almost a 90 per cent growth—

Honourable senators interjecting—

The PRESIDENT—Resume your seat, Senator Conroy. The time to debate this is at the end of question time when a motion is moved to take note of answers. Senator Conroy is entitled to be heard in silence, just as the questioner was.

Senator CONROY—As I was saying, wireless broadband technology subscriptions saw almost a 90 per cent growth in the six months to June this year. Furthermore, wireless connections now account for 14 per cent of all broadband subscriptions. The ABS statistics released on 22 September show that broadband subscribers continue to choose faster connections. The number of subscribers with download connections of 1.5 megabits per second or greater has increased to 43 per cent of all subscribers, compared to just 36 per cent at the end of December 2007. This demonstrates that Australian consumers have an appetite for faster broadband connections. That is why the Rudd government has committed up to $4.7 billion and will consider regulatory changes to facilitate the rollout of the National Broadband Network that will boost Australia’s productivity. It represents a long overdue investment in our nation’s infrastructure.

Senator Johnston—I rise on a point of order, Mr President. Loath as I am to take this point of order, I direct you to standing order 187, which says: ‘A senator shall not read a speech.’

Honourable senators interjecting—

The PRESIDENT—When there is quiet in the chamber I will give Senator Ludwig the call. If you want to debate it, there is a time after question time to debate these matters.

Senator Ludwig—On the point of order, as the Senate quite rightly knows, many senators do make speeches in this place with copious notes. Sometimes they have short notes and sometimes they have longer notes. Both sides of the chamber have continued to use notes. I am sure that the Liberals, on the other side, also use notes in their contributions to the Senate, as does this side of the house. Some use more copious notes than others, some use notepads and others use even shorter versions. It has been a longstanding practice in this place not to take points of order on these.

Honourable senators interjecting—

The PRESIDENT—Resume your seat, Senator Ludwig. I am not going to tolerate debate across the chamber.

Senator Ludwig—As I was saying, it is a matter that is not normally raised during question time, nor in other debates is it taken as a point of order. I would submit that it is a frivolous point that is being raised in respect of this. Using notes has been a practice for quite a long time in this place, and I would ask that you rule that there is no point of order.

Senator Brandis—On the point of order, there is a plain distinction between referring to copious notes and reading verbatim. It is as plain as it can be to you, Mr President, with respect, as it is to everyone in the Sen-
ate, that Senator Conroy has been reading verbatim from his laptop screen. It is a point of order seldom taken because it is regarded as an insult to another senator to suggest, as appears to be the case with Senator Conroy, that he is incapable of addressing the chamber without reading verbatim.

Senator Faulkner—Mr President, I do agree with one of the points that Senator Brandis makes in speaking to this point of order—that being that it is a point of order rarely taken in this chamber. I would respectfully suggest, however, that is because I think all of us in this chamber from time to time refer to what is described as ‘copious notes’, which we all understand is codeword for a written document in front of us. I have been here in this place a long time. I would certainly be the first to admit that I have often referred to notes. Sometimes I make extemporaneous speeches. Most people refer to notes in contributions. There is a very important point here. This is something that the opposition should, I think, reflect on. It is a very easy point of order to take against any of, I would respectfully suggest, the 76 senators in this chamber from time to time. The point of order is not taken because we all, on occasions, do precisely what Senator Conroy is doing. Let us be clear, however, about what we do not always do, and I accept this element of what Senator Brandis says: instead of using a written document it is the case on occasions, obviously, that Senator Conroy uses a document that appears on a computer screen. Let us be frank about this. Let us be sensible about it. Let us not have points of order here that can reflect on everyone in this chamber and can be used in relation to every single senator in this place.

Senator Coonan—On the point of order, surely the distinction here is the fact that, as Senator Faulkner quite rightly points out, most if not all of us use a combination of referring to notes and also making extemporaneous comments. In most speeches it can be a combination of both. The point here is that Senator Conroy consistently, for many months now, has in every question time read verbatim from an electronic document holder. That is not the normal practice of senators in this place. As Senator Brandis quite rightly says, there is a difference between—

The President—Order! The exchange across the chamber should cease. Senator Coonan is entitled to be heard in silence. Senator Faulkner! Senator Brandis! I am waiting to call Senator Coonan so she can continue.

Senator Coonan—As I said, Senator Faulkner makes a very good point. We do not want to be holding up the chamber with spurious points when people use a combination of referring to notes and speaking extemporaneously. The issue here, though, is that this is one of the most egregious examples I have seen in 12 years in this place of somebody reading verbatim every day in relation to every question. On that basis, you should call him to order, Mr President.

The President—There is no point of order.

Senator Conroy—in an answer in the portfolio area of the Digital Economy, to be actually objecting to using a computer screen rather than a file and a piece of paper is a little bit embarrassing.

The President—Senator Conroy, address the chair.

Senator Conroy—But it is no more embarrassing than having a shadow minister asking about the laws of physics—because this question is actually about the laws of physics. Unless, as commentators and the shadow minister are suggesting, somebody has recently discovered something that is faster than the speed of light, which is how fibre optics works—unless wireless tech-
nologies suddenly have become faster than the speed of light—the question is an embarrassing nonsense. It is really that simple: the speed of light. It is the laws of physics, and no amount of posturing and not understanding the laws of physics—

The PRESIDENT—Senator Conroy, resume your seat! I call Senator Conroy.

Senator CONROY—To quote from some of those opposite who actually do understand the laws of physics, Mr Bruce Scott, a former Howard government minister, stated: ‘The optic fibre cable is the superhighway of the future.’ Mr Tony Windsor, the popular Independent member and someone who spends a lot of time focused on those issues, said: ‘Fibre-to-the-node infrastructure is the best option.’

Yet again, these views reflect those of senators in this chamber like Senators Nash and Joyce, who in 2005 released a report on behalf of the National Party think tank, the Page Research Centre. I know that is an oxymoron. Senator Macdonald has always agreed with me on that. This report recommended that the then government consider a five-year rollout of—guess what?—fibre optic across non-metropolitan areas. So the fact that one commentator might mislead the shadow minister this early in his portfolio is worrying; it is of concern. But let me be clear: this is about the laws of physics.

The PRESIDENT—There is noise on both sides of the chamber. Senator Minchin wants the call, and those on my left are preventing him from getting the call. Have some respect for your leader.

Senator MINCHIN—Mr President, I ask a supplementary question. I refer the minister to Alan Kohler’s report, in which he says:

The global GSM Association made a remarkable prediction over the weekend that should have an explosive impact on the tender for Australia’s new national broadband network.

Senator Wong—I think he might be reading, Mr President.

Senator MINCHIN—I am quoting.

The GSMA represents about 750 3G mobile phone operators around the world, so it’s not unbiased. Its director of technology, Dan Warren, said he believes mobile broadband will reach speeds of 100 megabits per second before fibre optic does—that is, in about two years. I ask the minister: is Mr Warren right or wrong?

Senator CONROY—Coming from one of the proponents of one of the various technologies, it comes as no surprise to see these claims. They have been around for years. But let me just explain to the chamber how wireless broadband operates. It does not actually fly through the air all the way from computer to computer. That may come as a shock to you, Senator Minchin. What actually happens is that it gets as close as it can to its destination, gets sucked down into the ground—and guess how it travels once it goes underground? Via a fibre optic cable! Let me be clear about this: LTE, the future evolution of 3G, actually works off a fibre backbone. What we are building with the national broadband network is the biggest fibre backbone you have ever seen anywhere in the world as a proportion of the population—98 per cent of the population will have access to the fibre backbone. So I appreciate the question from Senator Minchin on the portfolio. I am very glad to explain to the—

(Time expired)

Senator Joyce—Mr President, I raise a point of order on relevance. The question was about building a fibre backbone. Can the minister suggest exactly where that is currently being built?

The PRESIDENT—There is no point of order and the time has expired for the answer.
Senator Chris Evans—Mr President, I ask that further questions be placed on the Notice Paper.

TASMANIA: WHALE SIGHTING

Senator Bob Brown (Tasmania—Leader of the Australian Greens) (3.06 pm)—by leave—Just some good news. There is a very large whale in the Derwent River outside our offices. I understand there is no work being done by my staff, but in anticipation that it will stay I invite you all down to afternoon tea for a viewing on Friday.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Age Pension

Senator Ludwig (Queensland—Minister for Human Services) (3.07 pm)—During question time there was a request from Senator Abetz to table document 11 as described. I grant that leave; it is tabled.

The President—Leave is granted to table that document requested by Senator Abetz during question time.

Senator Ludwig—Secondly, in respect of Senator Bernardi, we grant leave to table a document that I think forms a part of document 12 of those FOI requests. For completeness it is better if I table what is called document 12, which includes the document that Senator Bernardi was seeking to table.

The President—So you are tabling the full and complete document?

Senator Ludwig—Yes.

Canberra Airport

Senator Conroy (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.08 pm)—I seek to add to a number of answers to questions that we have answered earlier. One is from Senator Brown last week, and this is a further addition of information from Mr Albanese. The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator’s question:

In line with the Airports Act 1996, a preliminary draft master plan for Canberra airport was available for public consultation from 27 November 2007 to 27 February 2008 and Canberra airport received 122 submissions covering a range of issues. Canberra airport lodged the 2008 draft master plan with the Minister for Infrastructure, Transport, Regional Development and Local Government the honourable Anthony Albanese on 16 September 2008 and, under the Airport Act 1996, Mr Albanese has 50 business days to approve or reject the draft master plan.

Budget

Senator Conroy (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.08 pm)—In follow-up to questions from Senator Fifield, I can confirm that the budget papers show that there is expected to be a $500 million reduction in GST revenue as a result of the Federal Court decision in KAP Motors. As I said yesterday, as all GST revenue is paid to the states and territories, this fall in revenue was offset by a fall in Commonwealth expenditure so that there is no net impact on the budget as a direct result of the KAP Motors decision. I would however, note, in order to ensure that the Senate is fully informed, there may in fact be some gain to Commonwealth revenue indirectly, as some of the refunds paid to car dealers will potentially need to be included in their income for income tax purposes.

HANSARD

Senator Coonan (New South Wales) (3.09 pm)—Mr President, I seek leave to make a short statement.

Leave granted.

Senator Coonan—I am asking for clarification as to the accuracy of the Hansard record yesterday after question time. I refer to page 22 of the proof. Yesterday, after
the last question in question time, the Leader of the Government in the Senate, Senator Evans, when putting further questions on notice, stated: 'Thank you Mr President, as tempted as I am to ask Senator Conroy to further explain the subject matter, I suggest we put further questions on notice. Yet the Hansard record simply said—

Senator Abetz—Hansard didn’t make the irony.

The President—Senator Abetz, please let Senator Coonan make the statement. I am trying to get this in context.

Senator Coonan—That appears on the audio of what was said and the record of proceedings of the Senate, yet the Hansard proof at page 22 records just these words:

Mr President, I ask that further questions be placed on the Notice Paper.

My request to you, Mr President, is that the audio be checked for accuracy and the Hansard amended if it is not accurate.

The President—I have not seen the proof Hansard. I will take on notice what you have said. I will review it, and I will get back to you or to the chamber.

Questions Without Notice: Take Note of Answers

Age Pension

Senator Abetz (Tasmania) (3.11 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 Abetz and Bernardi today relating to the age pension.

The Australian people have had to tolerate for too long the disingenuous antics of Mr Rudd, Senator Evans and other Labor ministers over the plight of pensioners in our community. Firstly, they assert that we did nothing which, of course, is false. Secondly, based on this false assertion, Labor claim that they do not need to do anything. Even if their first assertion is true, which it clearly is not, it is no excuse for neglecting the plight of Australia’s pensioners.

The coalition has a relatively proud record on pensions. Which party indexed the age pension? It was the coalition. Which party increased the pension to link it to average weekly earnings? It was the coalition. That linkage means that the pension today is now $2,183 a year more than it would have been under Labor’s miserly CPI-only policy. At the last election we had a specific policy of increasing the pension in line with the cost of living as actually experienced by pensioners. We knew that something had to give.

Labor did not criticise our policy during the last election campaign. Now, as we seek to pursue our policy that we took to the last election campaign, Labor’s only defence—a pathetic defence and unsustainable defence—is to make the claim, the false claim, that we did nothing. The objective evidence simply does not match Labor’s false spin. Day after day, week after week, month after month Labor repeat their false mantra that the coalition did nothing. Labor monotonously repeat their falsehoods, hoping that mere repetition will obviate the need for evidence. Today the evidence from Labor’s own departments exposes the lie of those that assert that we did nothing.

If Labor actually believe their propaganda—if they believe that pensioners had been neglected for 11½ years during their time in opposition, as they assert—I would have thought they might have gone to last year’s election with a specific policy to address this neglect, but they did not. They only discovered the coalition’s alleged neglect after the election. After 11½ years you would have thought Labor, on coming into office, would have said, ‘One of our top priorities has to be dealing with this gross injust-
tice of the coalition,’ allegedly not dealing with the pension appropriately. But no—they have no intention of dealing with it. We pass legislation through the Senate to increase the pension and Labor deliberately ignore it. So the implication of what Labor say is that Labor watched for 11½ years as pensioners were allegedly neglected but brought no policy to the table or to the last election.

This highlights the duplicity of the Labor Party. The simple fact is the coalition maintained the pension in real terms by introducing indexation. We then increased the pension in real terms by linking it to average weekly earnings, which of course rose more steadily than inflation under the Howard-Costello stewardship. The cost-of-living problems that are now being experienced have been experienced for roughly 18 to 24 months, and that is why 12 months ago we on this side, recognising that problem, took a specific policy to the last election to ensure that pensions were maintained on the basis of the cost of living.

The simple fact is Australian pensioners deserve, as a minimum, a $30 per week increase. Mr Rudd knows it. He says he could not live on the pension. Mr Swan knows it. He says he could not live on the pension. But before they grant an increase, guess what Labor need to do? After having witnessed 11½ years of neglect, they have to have an inquiry and then possibly do something in 18 months time. Pensioners deserve an increase now. (Time expired)

Senator LUNDY (Australian Capital Territory) (3.16 pm)—How interesting it is to see Senator Abetz so earnestly try to rewrite history. We know the coalition have taken an ill-informed, quite appalling step in exploiting the concerns of pensioners by putting forward a bill that was ill thought out policy on the run. We know the coalition’s stunt this week is that over 1.1 million pensioners who are couples, over 700 disability support pensioners and over 100,000 carers payment recipients were completely ignored by the coalition. In fact, the opposition, as Senator Abetz kindly reminded us, did nothing over the 12 long years of their government, with cabinet even voting against a proposal, as we now know, from the former minister Mr Brough to increase the base rate of the age pension. I know I heard Senator Abetz say in this place that they knew something had to give with pensions, and yet they did not do anything until they found themselves in opposition, where they have cooked up a slipshod media stunt to try and get on the front foot with the growing consternation amongst pensioners about their needs.

What we know about the coalition’s bill is that it ignores over two million pensioners. It is not indexed. Remember, we just heard Senator Abetz say how much focus the coalition put on indexation, and yet this feature is lacking from the bill they brought forward to this place this week. What is going on? To me, that says ‘stunt’ all over.

A quick and dirty rewrite of history is not going to save the coalition’s face in their handling of this issue. We know that they are embarrassed by their own performance this week. They tried to allude in a sneaky way to the plight of pensioners in the first question time of this week with some surreptitious supplementary questions—not even having the political fortitude to ask these questions upfront. It was only when we as government senators drew that to their attention that they thought they had better put the issue on the front foot when the opportunity arose in this chamber during the latter part of the week, such as today.

When we debated the bill, I might remind senators and those listening, they could only
stump up with one speaker. Such is the poor form of the coalition.

Senator Coonan—Mr Deputy President, I rise on a point of order. The point of order is that, as no doubt Senator Lundy well knows—and Senator Ludwig well knows—there was an agreement reached between Senator Ludwig and the whips on this side of the chamber that there would be one speaker and one speaker only from this side and one speaker from Labor. This was to accommodate the Labor government’s schedule. I can see Senator Ludwig talking to Senator Lundy, and no doubt he will tell her that she is wrong. I would ask her to refer to the agreement.

The DEPUTY PRESIDENT—Order! Senator Coonan, that is not exactly a point of order—it is a very good debating point—but I think you may have got your point across.

Senator LUNDY—It is true, and I would like to say to Senator Coonan that I have just been informed that there was such an agreement, but my prior point still holds firm—that the coalition have not used all the opportunities available to them through other vehicles in this chamber through the course of this week, and I think they are embarrassed by that.

All of this stands in contrast to the government’s position on pensions, which has always been clear. In opposition, Labor instituted a Senate inquiry into the cost-of-living pressures facing senior Australians, and the first recommendation of the bipartisan report of that inquiry, which was tabled in March of this year, was:

… that the Government review the suitability of the base pension levels through economic analyses of amounts required to achieve at least a modest standard of living for retired Australians, with particular consideration given to the adequacy of the percentage rate for single older people receiving the age pension compared to couples.

On budget night we acted on this bipartisan recommendation by instituting the Henry review of tax and welfare and, recognising the urgency of the pensions issue, the government asked Dr Jeff Harmer to complete this part of the Henry review and report back to the government by no later than the end of February next year. The pensions review is well underway, as we all know.

Since the Senate inquiry, there have been many calls from seniors groups, disability groups, carers groups, individuals and so forth to improve pensions and payments. I would like to contrast this enthusiasm and willingness to engage with the low morale that existed amongst pensioners, carers, recipients of disability support et cetera under the Howard government. They now have some hope that there will be action from the Labor government through this very sensible course of action that is looking at the issues in a structured and serious way and not in the way that the coalition did, which was the embodiment of a political stunt.

So I would like to take this opportunity to congratulate those advocates of our pensioners of all different types in the country and to thank them for engaging with Labor’s process. I have great confidence that, being the wise and experienced constituency that they are, they too can see through the political stunt that we are observing from the opposition this week in parliament.

Senator JOYCE (Queensland)—Leader of the Nationals in the Senate) (3.23 pm)—Let us start with the comment on stunts. The first stunt I will talk about is Senator Lundy standing up and saying that the Liberal and National coalition did not have speakers. There was an agreement in this place that there was to be one speaker each. She should acknowledge that, and Senator Evans should acknowledge that. That was completely misleading this chamber.
Senator Lundy—Mr Deputy President, I rise on a point of order. I stood up and acknowledged the point that was made by Senator Coonan, and I do not like being further misrepresented by Senator Joyce.

The DEPUTY PRESIDENT—Order! Senator Lundy, that is not a point of order. You can make a personal explanation later, if you like, but that is not a point of order.

Senator JOYCE—Senator Evans and the Labor Party today are going on with this because they are taking pensioners for fools by trying to imply something that is not the truth of how the process went. That is another indictment on how the Labor Party is taking pensioners completely and utterly for granted. This is a complete insult. Of course, we could have lined up speakers from here to outside the chamber and down the street if we had needed to, because we do take the position of pensioners very seriously. I know there is more we can do, but at least we are doing something. We are doing something, as opposed to the Labor Party, which is doing nothing but having an inquiry. If it is a stunt that gives them more money then let us call it a stunt. Call it what you want, because we are trying to alleviate some of the pressure on these people that is occurring.

Let us just go through it. Under a coalition government there was a real increase in pensions. That is a fact. I would suggest very seriously that under the Labor Party government there has been a real decrease in pensions by reason of the increase in fuel, groceries and all of these things that they have absolutely no control of and have not got a clue how to deal with. Yet, in the same process, they have been hypothesising and philosophising about a measly $30 per pensioner. Then they said, ‘It does not go far enough.’ So what is their solution? It is to give it to no-one. They said, ‘It does not go far enough, so we will give it to no-one.’ That is another Labor Party solution.

On top of this situation where there are so many stresses on the budget, we see that the superannuation of so many of these pensioners is also going down and is under severe threat. So what does Mr Rudd do? He goes to New York. That is his solution to the problem. The sorts of emails that are coming in are saying, ‘It is interesting to see that Kevin, our prime tourist—the Prime Minister—is wanting to charge us a carbon tax. This is a person who has travelled 160,000 miles in his 737, which equates to almost one million litres of fuel for our prime sponsored tourist, yet this person cannot find it within his capacity to find $30 per pensioner.’ If Labor think they are going to do something better in the future, they should pass the $30 and then add to it, if that is where their heart really is. But that is not the issue.

We have heard about stunts. I will mention a few more stunts. Fuelwatch was a pretty handy stunt; I am sure the pensioners were happy about that stunt. What a fiasco. GroceryWatch—another stunt and another fiasco. The education revolution, the toolbox of the 21st century—another fiasco and another stunt. I would be very careful about talking about stunts if I were on the Labor Party side because it is a rhetorical wonderland over there. When it comes to really delivering an outcome, all they can do is sneer and snarl and then give some reason about why they could not help yet again. Their proposition that they are going to have an inquiry into the $30 a week, plus other issues at a later stage, is absurd. I think the Australian people have had it up to the gunwales with impending inquiries as the solution to their problems.

We have tried to help. There have been discussions in the joint party room over a long period of time. As has been docu-
mented, our government was about trying to bring forward a process of alleviating the pressure on pensioners. But that is not the dictum of this government. The dictum of this government is to sit back, to become, after such a short period of time, content and smug and to leave pensioners almost in destitution. I think it is an absolute disgrace.

Senator MOORE (Queensland) (3.28 pm)—The debate on the opposition’s approach to pension policy has not just started over the last couple of days. We saw in the week or two leading up to the recent government budget cynical attempts by the opposition, jostling with the government, to scare the community, to create outrage amongst pensioners and to get our government to leak what was going to be in the upcoming budget.

We know that that happens with every budget. We know that every government is very clear that when they are preparing their budget they are trying to pull everything together so that the full budget process is announced on the night of the budget. But what we clearly had from this opposition in the period leading up to that in the media were attacks on people’s security, their fears and worries, with goading statements alleging that this government was not going to provide the pension bonus and alleging, to quote from debates we have heard from different people in this place, that the government was going to cut pensions and that it was not going to have a heart.

What we had to do at that time was respond to assure pensioners that the government was considering their issues. But, through that whole process, we could see that the opposition had no qualms about using public response, about creating a sensation of fear and about making promises that they could not keep—promises that were not in their purview to keep but, rather, a budget decision. What they were doing was using that to gain a cheap political point. So, when it came through, when the budget was handed down and the Treasurer, the Prime Minister and the various ministers worked through the number of provisions that were made in that budget looking at ensuring that pensioners got their bonuses and ensuring that the carers and people on other forms of payments also received acknowledgement and payment in that budget, and when we also saw that we would increase the utilities allowance, giving people a massive increase in the utilities allowance over the whole 12 months—not just in one payment but in a series of payments—there was no claim made by the government that this was going to be the full response to the overwhelming needs of pensioners. At no time was that claim made. Rather, we acknowledged that consideration needed to be given to a range of changes to the system that was looking at providing support to people in need.

Through the committee process and the report that came down in March this year looking at the cost-of-living pressures on older Australians, a range of recommendations were made by that committee. Senators from all sides of this place worked together and listened to the genuine needs of pensioners in this country. What we saw was that there was a range of needs. It is very difficult just to talk about the single word ‘pensioner’ because that covers so many people. But what we did acknowledge and identify, as a unified Senate, was that there needed to be clear consideration given to the whole system. What has been happening for too long has been that this complex system has had a range of bandaid measures put in place so that the clear inequities of this system have not been identified and a government response made.

That is what we are doing with the Harmer inquiry. It is not an easy job, but we
are working with pensioners and people who know this system across the whole country. It is not the cheap, one-line media grab. It is way too easy to do that, and I think so many of us have fallen for that trick. It is easy to get a response by making a statement out there that can give you a quick response, but what is wrong and what is very, very sad in this whole process is that what pensioners are now seeing is an expectation that has been created, without the background, without the acknowledgement of how the system needs to be changed in the long term. Figures are being thrown around, and the confusion and fear that that is causing is wrong.

That was not the intent of the Senate inquiry that worked on the issues that were faced by older Australians. That is not the intent of people who are working in the system now. But figures are being thrown around and what we are talking about now is a significant increase. Of course that is attractive—there is no way it is not—but it does not address the underlying problems, it does not address the issues that we have seen raised by so many people about how flat increases can sometimes be eroded immediately by other expenses, how some people have views about bonus payments as opposed to a series of payments across a 12-month cycle. We need to get this right.

The DEPUTY PRESIDENT—Order! Senator Cash, you must address your remarks through the chair.

Senator Cash (Western Australia) (3.33 pm)—I wonder what Mr Rudd was thinking last night as he dined in New York whilst conveniently ignoring the issue that matters to many Australians—in fact, to all Australians except those on the other side—and that is the issue of pensioners. I wonder if Mr Rudd had baked beans on toast for dinner last night. I think not! I bet what he had was a lot fancier and a lot tastier than what the pensioners here in Australia had last night. But what is worse is that this is the Prime Minister who, at a very recent press conference, on 9 September, had this to say:

I agree with both Wayne and Julia, I think it would be almost impossible to continue to live on the current single aged pension.

And then he was quoted in the *Age* on Wednesday, 10 September, saying:

Living on the single aged pension is very, very tough, which is why we are committed to its reform.

This is yet another example of the long line of spin, rhetoric and no-substance approach to Labor’s policy which the Rudd government is making—spin over substance every time.

In talking about spin over substance, I note that the other side have yet again raised that we provided only one speaker on the pension issue—one speaker by agreement—and they also provided only one speaker. They now have the audacity to stand up in this chamber and say to us on this side that we do not care about pensioners. I say to you: ‘We’re the opposition; you’re the government. You provided one speaker. What does that say about you?’ Not a lot.

The DEPUTY PRESIDENT—Order! Senator Cash, you must address your remarks through the chair.

Senator Cash—Thank you, Mr Deputy President. This is the government who went to the election last year promising to ease the cost of living for all Australians. This is the government who went to the election last year promising that those on pensions would not be worse off. How can the Prime Minister of Australia agree that ‘it would be almost impossible to continue to live on the current single aged pension’, how can he promise that those on pensions will not be worse off under a Rudd budget and then not do anything about their plight? In fact, they not only do not do anything about the plight of pensioners but when we on this side of poli-
tics offer a solution, a first step to help ease the burden on pensions, they call it a political stunt. But I would expect nothing less from those on the other side. It is a solution that we on this side of politics are proposing, not a political stunt.

We are not alone in that opinion. Let us look at some of the media headlines from today. The Maitland Mercury says, ‘Pensioners want action on increase’. The Adelaide Advertiser says, ‘Pensioners should not have to wait’. East Maitland pensioner Laurice Seigers—and her husband, Fred—in an article in today’s Maitland Mercury says:

I think an increase is necessary. I certainly find it a struggle. Every time I go grocery shopping things have gone up. We have to buy things that have been marked down.

The number of comments online is staggering. James has today posted on the Canberra Times site:

This is a one term government. Rudd’s arrogance in dismissing the needy will lose him re-election.

And in my home state of Western Australia on page 6 under the banner headline ‘Political tug-of-war halts $30 pension rise’ pensioner Denis Leigh says:

At the next election pensioners will revolt against the government for not raising it now. Another $30 a week is a hell of a lot of money for us. You feel frustrated.

And the government’s response to this is that our proposal is a political stunt. This is the government that stood here today in this chamber once again gloating about its $22 billion surplus. Responsibility for age pensioners lies with them. They are the government. They can make a change. Do something about the age pension. Increase it now. After all, it was Mr Rudd who said:

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

Where is he now? New York. Just another lot of spin and rhetoric.

Question agreed to.

Nuclear Waste Repository

Senator LUDLAM (Western Australia) (3.38 pm)—I move:

That the Senate take note of the answer given by the Minister for Innovation, Industry, Science and Research (Senator Carr) to a question without notice asked by Senator Ludlam today relating to radioactive waste management.

The Commonwealth Radioactive Waste Management Act 2005 was pushed through this place and overrode Northern Territory laws that were in place which prohibited at the time the transport and storage of nuclear waste. The legislation that came through here, which was subsequently amended, overrode the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 and prevented it from having effect during investigation of potential dump sites. This act also excluded the Native Title Act 1993 from operating at all, overriding procedural fairness.

When the act was forced through the Senate, Labor described it as ‘extreme, arrogant, heavy-handed, draconian, sorry, sordid, extraordinary and profoundly shameful’. I agree.

Australia’s radioactive waste is a legacy of decisions taken in the past, specifically in the Menzies era, when the government opened a research reactor at Lucas Heights, 31 kilometres from the heart of Sydney, without any idea of how the waste generated at that plant would be dealt with. The decisions that we take today about Australia’s inventory of radioactive waste, where it should be stored, whether it should be transported and centralised, should reflect the best science that we have at our disposal now as well as the best democratic and transparent processes that governments and citizens can utilise in today’s world. Instead, we have decision-making still, after all this time, taking place
that is cloaked in secrecy a long way from the public eye.

I would like to know what the government has been doing for the past year. Because a year ago Senator Carr, the shadow minister for industry, innovation, science and research stated:

Today’s announcement is yet the next chapter in the decade-long saga of lies and mismanagement that has become Howard’s waste dump.

The Howard government has tried to impose its waste dump in numerous sites around the country; settling on the Northern Territory because of its ability to steamroll the Territory’s rights and impose the dump against its will.

Labor believes that Howard’s bullyboy tactics in the Northern Territory are no way to select a nuclear waste dump.

Labor is committed to repealing the Commonwealth Radioactive Waste Management Act and establishing a consensual process of site selection.

Labor’s process will look to agreed scientific grounds for determining suitability. Community consultation and support will be central to our approach.

I would like to know what community consultation and support has been going on in the last 10 or 11 months. Because the answer that seemed to come back from the Minister for Innovation, Industry, Science and Research earlier this afternoon was: ‘We’ll repeal when we are good and ready. We’ll repeal when we have some sort of deal stitched up. We won’t tell you what we are up to now, who we are consulting with, whether this is taking place on the basis of good science or sound community consultation. We’ll repeal when we’re good and ready.’

I really hope that I am wrong about this, but if I lived in Tennant Creek or out at Mucketty Station tonight I would find the minister’s comments quite chilling. Because it seems to me that the government fully intends to lock up probably Mucketty Station, the fourth site on the Howard government’s hit list for a radioactive waste dump and then repeal this vestige of Howard legislation. That is what it looks like, based on the minister’s answer this afternoon. I think that the act was extremely arrogant and controversial, just as the Labor Party said at the time. It is time that that act went, so I foreshadow that shortly I will be moving to repeal this act.

Question agreed to.

NOTICES

Presentation

Senator Sterle to move on the next day of sitting:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Committee on matters specified in part (1) of the inquiry into the management of the Murray-Darling Basin system and on the Emergency Water (Murray-Darling Basin Rescue) Bill 2008 be extended to 3 October 2008.

Senator McEwen to move on the next day of sitting:

That the time for the presentation of the report of the Environment, Communications and the Arts Committee on the Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008 be extended to 10 November 2008.

Senator Minchin to move on the next day of sitting:

That the Senate—

(a) notes:

(i) the claims of both the Managers of Government Business in the Senate and the House of Representatives that the Government’s legislative priority for the sitting week beginning 22 September 2008 is the passage of its budget-related bills, and

(ii) that the Government has deferred consideration of its supposed priority bills on numerous occasions throughout the past three sitting weeks; and
(b) calls on the Government to give precedence to the following bills over other legislation:

- Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008
- Excise Legislation Amendment (Condensate) Bill 2008 and a related bill.

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

That the following matter be referred to the Economics Committee for inquiry and report by the first sitting day of April 2009:

The funding, planning, allocation, capital and equity of residential and community aged care in Australia, with particular reference to:

(a) whether current funding levels are sufficient to meet the expected quality service provision outcomes;

(b) how appropriate the current indexation formula is in recognising the actual cost of pricing aged care services to meet the expected level and quality of such services;

(c) measures that can be taken to address regional variations in the cost of service delivery and the construction of aged care facilities;

(d) whether there is an inequity in user payments between different groups of aged care consumers and, if so, how the inequity can be addressed;

(e) whether the current planning ratio between community, high- and low-care places is appropriate; and

(f) the impact of current and future residential places allocation and funding on the number and provision of community care places.

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

That—

(1) 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 motion 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.

(2) On Friday, 26 September 2008:

(a) the hours of meeting shall be 9.30 am to 3.30 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 put at 3.30 pm.

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

That the Senate—

(a) recognises that university enrolments for 2009 are due to begin in the week beginning 28 September 2008 around the country;

(b) notes:

(i) the summary report, *The impact of voluntary student unionism on services, amenities and representation for Australian university students*, dated April 2008, that specifically highlighted the devastating impact voluntary student unionism (VSU) has had on the quality of student support services on campuses across the country,
(ii) the alternative solutions to the current system of VSU put forward by a number of key stakeholders, including a proposal based on a combination of shared funding arrangements between students, universities and government, and

(iii) the Government’s commitment to restoring essential student services and representation; and

(c) calls on the Minister for Education (Ms Gillard) to confirm before enrolments for the 2009 university calendar commence, that the current system of VSU will be scrapped to address the regressive impact VSU has had on student services and the educational experience, to ensure any change in legislation is in place before 2010.

Senator Ludlam to move on the next day of sitting:


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

That the Private Health Insurance (Benefit Requirements) Rules 2008 (No. 2) made under item 3A of the table in section 333-20 of the Private Health Insurance Act 2007, be disallowed.

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

Leave granted.

The statement read as follows—

Private Health Insurance (Benefit Requirements) Rules 2008 (No. 2) made under item 3A of the table in section 333-20 of the Private Health Insurance Act 2007 These Rules specify the minimum benefit requirements for psychiatric, rehabilitation and palliative care and other hospital treatment.

The Explanatory Statement to this instrument states that in Part 3 of Schedule 3 to the Rules, Category 9 of the current Rules (which comprises certain Medicare Dental Items) has been omitted from the Type C List in the Rules. This reflects the withdrawal of these items from the Medicare Benefits Schedule by the Health Insurance (Dental Services) Amendment and Repeal Determination 2008. However, that Determination was disallowed by the Senate on 19 June 2008, with the consequence that those items were reinstated in the Medicare Benefits Schedule on that date. The Committee has written to the Minister seeking advice on this matter.

Senator Milne to move 10 sitting days after today:

That the Environmental and Natural Resource Management Guidelines in relation to the establishment of trees for the purposes of carbon sequestration, made under subsection 40-1010(3) of the Income Tax Assessment Act 1997, be disallowed. [F2008L02397]

Senator Milne to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) the South African Minister of Minerals and Energy, Ms Buyelwa Sonjica, in the week beginning 21 September 2008 put on hold the mining rights previously awarded to the Australian company Mineral Commodities Limited and its South African partner Transworld Energy and Mineral Resources,

(ii) this planned sand mining operation along a 22 kilometre stretch of coastal dunes on South Africa’s wild coast would have changed the way of life of the AmaDiba people who have lived in the area for centuries, and

(iii) such changes may cause further social conflict, forced evictions, loss of access to farmland, relocation of ancestral graves, destruction of culturally-
Wednesday, 24 September 2008

SENATE

important archaeological sites and unacceptable environmental and health impacts; and

(b) calls on the Government to investigate whether human rights abuses, violence and conflict have occurred or are occurring, as a result of this Australian company’s activities and planned mining operations.

Senator Milne to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) prior to the 2007 federal election the Australian Labor Party (ALP) promised to reform the Freedom of Information (FOI) process and establish an FOI Commissioner,

(ii) at the time the ALP said that ‘The current FOI regime allows the Howard Government to escape real transparency and genuine accountability. For 11 years, the Howard Government has shrunk away from the light of public scrutiny and transparency – by abusing the current FOI laws’,

(iii) it took the Government 6 months to decide to release (subject to the agreement of Gunns Ltd) the report by Dr Michael Herzfeld on the potential marine impact of effluent from the Gunns’ pulp mill, and

(iv) the Government has recently refused the Senate’s request for the release of the Wilkins report, Strategic Review of Climate Change Policies, citing Howard Government precedence as an excuse; and

(b) calls on the Government:

(i) to live up to its election promise to govern with transparency and accountability, strengthening the public interest test for access to information, and

(ii) to update the Senate on its review of the FOI process.

COMMITTEES

Fuel and Energy Committee

Meeting

Senator PARRY (Tasmania) (3.46 pm)—by leave—At the request of the Chair of the Select Committee on Fuel and Energy, Senator Cormann, I move:

That the Select Committee on Fuel and Energy be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 4 pm.

Question agreed to.

NOTICES

Postponement

The following item of business was postponed:

General business notice of motion no. 123 standing in the name of the Leader of the Family First Party (Senator Fielding) for today, relating to an amendment to the reporting date for the Joint Standing Committee on Electoral Matters inquiry into the Commonwealth Electoral Amendment (Political Donations and Other Measures) Bill 2008, postponed till 14 October 2008.

EXECUTIVE SALARIES

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.47 pm)—I move:

That the Senate—

(a) recognises that the current global economic downturn, and particularly, the crisis in the banking and insurance industry in the United States of America will have serious negative implications for Australia and the rest of the world;

(b) notes that:

(i) executive pays in Australia have risen exponentially in the past 10 years, with the average total remuneration packages approximately $4.56 million in 2006,

(ii) in 2006 the average remuneration package of the 10 highest paid chief
executive officers (CEOs) in Australia was $11 749 074,
(iii) the average salary for the top 100 CEOs, including those working for companies which are failing, was $1.8 million in 2006,
(iv) the average Australian adult annual salary is $58 864, and
(v) pensioners and other low income earners are currently experiencing considerable financial hardship yet the Government will not give them an additional $30 a week; and
(c) calls on the Government to urgently introduce measures to address this inequity and restrict the unjustified and extravagant salaries paid to executives, including options such as capping the most extravagant executive salaries and investigating loopholes in taxation legislation for such salary earners.

Question put.

The Senate divided.  [3.52 pm]
(The Deputy President—Senator the Hon. AB Ferguson)

Ayes...........  6
Noes...........  45
Majority........  39

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

NOES
Arbib, M.V.  
Barnett, G.  
Bernardi, C.  
Bilyk, C.L.  
Birmingham, S.  
Bishop, T.M.  
Boyce, S.  
Brown, C.L.  
Bushby, D.C.  
Cameron, D.N.  
Cash, M.C.  
Colbeck, R.  
Cooman, H.L.  
Cormann, M.H.P.  
Crossin, P.M.  
Eggleston, A.  
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.  
Hutcheson, S.P.  
Ludwig, J.W.  
McEwen, A.  
McGauran, J.J.J.  
McLucas, I.E.  
Moore, C.  
Nash, F.  
Parry, S. *  
Polley, H.  
Pratt, L.C.  
Ryan, S.M.  
Sherry, N.J.  
Stephens, U.  
Sterle, G.  
Williams, J.R.  
Wortley, D.

* denotes teller

Question negatived.

WORLD DAY AGAINST THE DEATH PENALTY

Senator HANSON-YOUNG (South Australia) (3.54 pm)—I move:

That the Senate—
(a) notes that:
(i) Friday, 10 October 2008 is the sixth annual World Day Against the Death Penalty, and
(ii) this day of action was established in 2003 by the World Coalition Against the Death Penalty in a commitment to the universal abolition of capital punishment; and
(b) calls on the Rudd Government to urge the 60 remaining nation states that continue to use the death penalty as a form of punishment, to abolish the death penalty as a matter of urgency, and halt all executions of those sentenced to death.

Question put.

The Senate divided.  [3.56 pm]
(The Deputy President—Senator the Hon. AB Ferguson)

Ayes...........  7
Noes...........  44
Majority........  37

AYES
Brown, B.J.  
Fielding, S.  
Hanson-Young, S.C.  
Ludlam, S.  
Milne, C.  
Siewert, R. *
Wednesday, 24 September 2008

Xenophon, N.

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and supports the government’s position in the Senate on Senator Hanson-Young’s motion.

**ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT GUIDELINES**

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.01 pm)—I move:

That the Senate—

(a) calls on the Government to amend the Environmental and Natural Resource Management Guidelines in relation to the establishment of trees for the purposes of carbon sequestration, made under subsection 40-1010(3) of the *Income Tax Assessment Act 1997*, in order:

(i) to avert the use of prime agricultural land,

(ii) in the broader sense, not to put upward pressure on food inflation through the loss of production capacity, and

(iii) to ensure that such carbon sinks are appropriately registered on the land title; and

(b) reminds the Government that the Senate has the power to disallow those guidelines should the Government not amend them to achieve the above objectives.

Question agreed to.

**STOLEN GENERATIONS REPARATIONS TRIBUNAL BILL 2008**

First Reading

Senator SIEWERT (Western Australia) (4.02 pm)—I move:

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.

Question agreed to.

Senator SIEWERT (Western Australia) (4.02 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 SIEWERT (Western Australia) (4.03 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

STOLEN GENERATIONS REPARATIONS TRIBUNAL BILL 2008

In February of this year the Stolen Generations were given a formal national apology by the new Government. A national apology was one of the key recommendations from the “Bringing them Home” Report and I welcomed the apology along with many other Australians.

The Bringing Them Home Report also stated that “[t]he only appropriate response to victims of gross violations of human rights is one of reparation” and recommended that:

“for the purposes of responding to the effects of forcible removals, ‘compensation’ be widely defined to mean ‘reparation’; that reparation be made in recognition of the history of gross violations of human rights; and that the van Boven principles guide the reparation measures. Reparation should consist of:

1. acknowledgment and apology,
2. guarantees against repetition,
3. measures of restitution,
4. measures of rehabilitation, and
5. monetary compensation.”

This bill seeks to implement this key recommendation from the Bringing Them Home Report by providing a mechanism to make reparation to the Stolen Generations.

Following the national apology former Senator Andrew Bartlett introduced the Stolen Generation Compensation Bill 2008. Senator Bartlett is a tireless campaigner for social justice and strongly advocated for compensation for the Stolen Generations both inside and outside this Chamber.

I want to acknowledge the work of Senator Bartlett in bringing before this place a Bill for compensation for the Stolen Generations. It was very disappointing to hear the Government dismiss out of hand the issue of reparation and compensation when delivering the apology. Senator Bartlett’s Bill kept the issue of compensation before the parliament and the nation.

Following its introduction, Senator Bartlett’s Stolen Generation Compensation Bill was referred to a Senate Inquiry which received submissions and heard evidence from around the country. The Inquiry canvassed many of the issues relevant to both compensation and broader reparation for the Stolen Generations. There was strong support for a reparation scheme from the submissions and hearings.

One of the submissions to the Inquiry was a joint submission from the Public Interest Advocacy Centre and the Australian Human Rights Centre (the PIAC/AHRC submission). The submission and evidence from PIAC/AHRC proposed a Stolen Generations Reparations Tribunal.

PIAC first developed a proposal for a Reparations Tribunal in response to the recommendations of the Bringing Them Home Report and presented the proposal to the 2000 Senate Inquiry into the Federal Government’s implementation of the Report’s recommendations. The Senate Legal and Constitutional Affairs committee recommended the establishment of a reparations tribunal modelled on the PIAC proposal.

Following the Inquiry, PIAC conducted significant consultations with Indigenous people and organisations across Australia, to further develop their proposal. This finalised proposal was submitted to the Senate Inquiry into Senator Bartlett’s Bill. It is notable that Senator Bartlett in his Additional comments to the Senate Inquiry Report recommended that his Bill be modified by adopting the amendments proposed by PIAC/AHRC. It is a recommendation I agree with and I am pleased to be now putting such a bill before this parliament.
The distinguishing feature of this bill to the Stolen Generations Compensation Bill is the broader remit for reparation. We recognise that a sum of $20 000 is manifestly inadequate compensation for the Stolen Generations. This is why this bill, while keeping a limited ex gratia payment, also provides for the Tribunal to decide on appropriate reparation. Reparation can include funding for certain services and monetary compensation when particular harm is demonstrated. These reparations are unlimited and are to be determined by the Tribunal.

There is a focus in the bill on communal reparation, including measures such as funding for healing centres, community education projects, community genealogy projects, and funding for access to counselling services, health services, language and culture training.

The bill establishes a Stolen Generations Reparations Tribunal which is constituted according to the following Principles:

- Acknowledging that forcible removal policies were racist and caused emotional, physical and cultural harm to the Stolen Generations;
- Asserting that Indigenous children should not, as a matter of general policy, be separated from their families;
- Recognising the distinct identity of the Stolen Generations and that they should have a say in shaping reparation; and
- Ensuring that Indigenous persons affected by removal policies should be given information to facilitate their access to the Tribunal and other options for redress.

The key elements of the Stolen Generations Reparations Tribunal are:

- Reparation should be guided by the van Boven principles and should be material, in-kind and non-material, and include but not be confined to monetary compensation;
- The provisions of ex-gratia payments as a minimum lump sum payment to all Indigenous people forcibly removed from their families as a recognition of the fact of removal;
- Acknowledging the intergenerational harm of the forcible removal policies, that reparation should be extended to include not only the individual removed, but also family members, communities and descendents of those removed; and
- Claimants will only have to demonstrate the act of removal occurred under certain legislation or was carried out, directed or condoned by an Australian government.

The van Boven Principles are a set of principles developed by Theo van Boven in 1996 for the United Nations on the Right to Reparation for Victims of Gross Violations of Human Rights and Humanitarian Law. The van Boven principles recognise the right of remedy for victims of gross violations of human rights. The Bringing Them Home Report cites the van Boven Principles and concludes that reparation for the Stolen Generations should be guided by these principles.

The Tribunal’s functions include:

- Deciding on appropriate reparation,
- Deciding on an appropriate amount of any ex gratia payment;
- Providing a forum and process for truth and reconciliation by which Indigenous persons affected by forcible removal policies may tell their story, have their experience acknowledged and be offered an apology by the Tribunal or others;
- Consider proposed legislation to report on whether it would be contrary to the Principles of this Act;
- Inquire into prejudicial policies and practices by government or a church organisation brought to the Tribunal’s attention.

The Tribunal’s functions that relate to examining proposed legislation and inquiring into prejudicial polices and practices of government and church organisations are limited to legislation and policies that are contrary to or inconsistent with the Principles mentioned above. The Tribunal’s functions are thereby limited to matters...
related to the Stolen Generations and the forcible removal of Aboriginal and Torres Strait Islander children from their families.

The Tribunal will be constituted by a Chair and 6 other members. At least half the members of the Tribunal must be Indigenous. The Chair of the Tribunal will be full-time position, while members may be appointed on a full-time or part-time basis.

The key elements and functions of the Tribunal provide for a more holistic approach to reparation for the Stolen Generations. As PIAC stated in its submission to the Senate Inquiry into Senator Bartlett’s Bill:

“It is critical that a mechanism, distinctly shaped by the needs of the Stolen Generations is put in place to service the dual objectives of re-dressing past harm and creating measures of reparation that offer enduring social, cultural and economic benefits to those affected.”

In response to the national apology I said:

“Children growing up hearing the stories of officially sanctioned mistreatment of their parents, their mothers and their grandmothers in an environment in which these injustices are not acknowledged, or are even denied, can easily be led to despair – particularly when they are growing up in disadvantage, experiencing firsthand the impacts of social exclusion and living in a community with a high rate of unemployment and in which they face an uncertain future. This is why a full and unconditional apology from the government to the Stolen Generations on behalf of the parliament is important to not just the children who were removed but also their children and grandchildren. The health and well-being burden carried by Aboriginal Australia and Aboriginal communities is huge.”

I add to that statement that just reparation is equally essential to repair the enduring social, economic and cultural harm experienced by the Stolen Generations.

In the same way the national apology was long overdue, so is a reparation scheme. As Associate Professor Durbach from the AHRC told the Senate Inquiry, in reference to the recommendation of the 2000 Senate Report of a reparation scheme:

“A failure to implement that commitment by way of establishing a Stolen Generations reparations tribunal ignores Australia’s obligations to repair the enduring social, cultural and economic damage particularly endemic to the stolen generations experience. In failing to honour that commitment, it also suspends and accordingly prolongs the critical healing of Stolen Generations communities and undermines any real prospect of effective reconciliation.”

The Government must act urgently to provide the Stolen Generations full reparation.

I commend the bill to the Senate.

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

Leave granted; debate adjourned.

MATTERS OF PUBLIC IMPORTANCE

Age Pension

The DEPUTY PRESIDENT—The President has received a letter from Senator Bernardi proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The valuable contribution of age pensioners to the Australian community and the need for immediate financial relief for single age pensioners.

I call upon those senators who approve of the proposed discussion to rise in their places.

More than the number of senators required by the standing orders having risen in their places—

The DEPUTY PRESIDENT—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Senator BERNARDI (South Australia) (4.04 pm)—This motion has been carefully worded as we have spent a lot of time talking about the age pension but not quite so much time talking about the valuable contribution that many age pensioners have made. The
contribution that today’s age pensioners have made has changed our country immeasurably. They have borne hardship. They have been to war on our behalf. They have raised their families. They have built businesses. They have toiled for the benefit of this nation—often without the benefit of superannuation and often without the benefit of significant government assistance during some very tough times in all of their lives—always hopeful and optimistic, as Australians are, that, when their time of need arose, their 65-plus years of contribution to our community would allow them some respite, a bit of peace and some time with their families. They were hopeful that the government would provide them with enough sustenance and enough of a contribution for them to sustain a quality of life as befits their service to our nation.

Unfortunately, this has been completely lost on the Rudd government. Under the previous coalition government the age pension increased above the CPI. It was indexed to the average wage, which resulted in over $2,183 of additional benefits than would have accrued to them previously through the age pension. With the cost of living rising stratospherically under the Rudd government, who have taken their eyes completely off the main game—which is looking after Australians, not trying to get a seat in the United Nations or talking about 2050 plans—the pensioners of Australia are struggling right now. They are struggling right now to feed themselves and to turn their heaters on in a very cold winter. They are struggling to put fuel in their cars and get down to the shops or to the RSL so they can play some cards or have a drink with their friends. They are struggling because this government will not do anything to help them.

Sure, I accept the fact that a couple of policies have been copied to help out with rising electricity rates, and I understand that the government claim to accept the parlous state that pensioners are in, because we have had some senior ministers say that they could not live on the age pension. ‘We understand. We have had inquiries that have reported about how they cannot make ends meet’—how they have been forced to live on bread and jam, because dripping is no longer available; it is too expensive under the Rudd government. But we have a simple strategy for this government to provide immediate relief for the pensioners of Australia and what is their response? No. They are retreating to the Constitution. It is the Dennis Denuto version of government: ‘It’s the vibe. We don’t think the Senate can do this.’ The Senate passes a bill and sends it to the lower house and the lower house says: ‘No, we are going to rely on the Dennis Denuto interpretation. The vibe is wrong and you are not allowed to do it.’ Well, let them introduce a bill of their own to provide immediate financial relief for pensioners, because they need it now, they need it today—and they deserve it, quite frankly.

I know there are many agitators on the Labor backbench who are too frightened to speak up. They are too frightened to speak up because, in the Labor Party, when you speak up, you get your head chopped off. You get thrown out if you cross the floor. But they need to cross the floor. They need to put their pride on the line here to support Australia’s pensioners, because to do anything less is to turn their backs on those that most need it. We are a lucky country and they are a very lucky government because they inherited a massive surplus, the largest surplus I can recall at close to $23 billion. They have $23 billion in surplus and yet there is not enough money to make sure that those who are amongst the most vulnerable and needy in our society can actually get it.
If you need any evidence that this is a government more interested in spin than substance you only have to go to documents provided under the Freedom of Information Act, in which the Treasury has written to Mr Swan, Mr Bowen and Senator Sherry on the adequacy of government support for people of age pension age. This Treasury note of 11 pages noted that the age pension and additional financial payments for seniors had increased substantially in real terms under the coalition government. It notes that, and yet here we have the Leader of the Government in the Senate just yesterday saying that no action had been taken under the coalition. This is a government that really does not know what it is saying. It does not appreciate just how painful its callous words—the stake that it is driving through heart of the people who have toiled to build this country—really are. When you have the Leader of the Government in the Senate saying that the coalition did nothing and yet the Treasury note demonstrates something else, it is really very sad.

The Treasury note goes on to say that some people are genuinely experiencing cost-of-living pressures. This has been borne out by Senate committee after Senate committee. We know this, because the evidence is there for every single person to see. But there are none so blind as those that will not see. The blindness, unfortunately, resides on the government side. If Mr Rudd himself decreed from above—because he is the emperor that runs the Labor Party and the government and they will not act without Mr Rudd—‘I want the pensioners to have a $30 a week pay rise,’ it would happen, and it would happen with the support of the coalition. It would happen, I presume, with the support of the crossbenches and with the support of the Greens. But, no, it does not happen.

And when we are debating this, where does Mr Rudd go? Overseas. He is missing in action, like this government has been missing in action on the needs of so many Australians. But the problem we have is that it sets a terrible precedent whereby the coalition will continue to advocate and the government will continue to turn their backs on the people who need it most. It is not good enough. The coalition have been pursuing this issue with all seriousness and genuineness because we actually care about people. It is not just about dollars and cents. That is important—of course dollars and cents are important and we need to make sure there is a surplus, and we need to make sure there is good financial management—but, gosh, what good is good financial management if you are turning your back on the very people who have been paying off Labor’s debt during the coalition government? These people were paying taxes. We supported them because they were helping us to get over Labor’s poor management of the economy. Labor are now so hamstrung trying to prove their fiscal rectitude that they are turning their backs on the very reason governments exist: to take care of those who need help and need support.

There are lots of things that governments have to do, but there are also things that governments should do. This government, unfortunately, has its priorities completely wrong. It is a shame to say it: while we are talking about pensioners not having enough food to eat and $30 pay rises, the Labor Party in the other house are talking about the size of the beef stroganoff. It is a disgrace. Every single Australian should be embarrassed about what is happening in the other house. They were presented with a bill that was a fait accompli. The only thing they had to do was introduce it, yet they hid behind apparent legal advice.

I do not think the vibe works in the Senate or in the Australian parliament. It is not ap-
appropriate to invoke the Dennis Denuto defence—Dennis Denuto, that famed lawyer from *The Castle*, the man that we all love and think is fantastic—that it is the vibe that is going to prevent us from doing it. The only thing they have to do is grab this bill and bring it into the House. Let them initiate their own bill. We don’t care; we will support it. We will support their $30 a week pay rise or their $35 a week pay rise, if that is what they want to do. For goodness sake, even $20 a week would provide some relief for these poor people who are doing it really, really tough. But what do the government do? Nothing. They play the spin cycle. It is a shame and a tragedy. We will continue to raise this issue and many other issues, because that is what we are here for. We are here to stand up for people, to put people before politics. Unfortunately, the Rudd Labor government simply put the politics and the spin of politics and the appearance of action ahead of people’s needs. It is not good enough, it is not what they were elected to do, and at the next election I know that the people of Australia will say: ‘Enough is enough. Goodbye. Thank you, Mr Rudd.’

(Time expired)

Senator FEENEY (Victoria) (4.14 pm)—

It is a pleasure to rise and address the Senate on the issue of pensions. Senator Bernardi, in proposing this matter for discussion, has brought to this place all of the eloquence and wit that his hero, Dennis Denuto, brought to the High Court in *The Castle*. Pensions are such a critical issue for the coalition that we can see that they have come here in force today to make their argument in this place!

Senator Bernardi’s proposal raises some interesting questions. When did the need for financial relief for single age pensioners become urgent? If it is urgent now, this year, why was it not urgent last year? Why was it not urgent in 2006? Senator Bernardi has been a member of this Senate since May 2006, so of course it is fair and reasonable to ask: how many times did Senator Bernardi speak in the Senate on the plight of pensioners in 2006? Not once. How many times did Senator Bernardi speak in the Senate on the plight of pensioners in 2007? Not once.

Since Senator Bernardi entered the Senate there have been three budgets—two under the Howard government and one under the Rudd government. What did Senator Bernardi say about the failure of the Howard government to meet the need for immediate financial relief for single age pensioners in 2006 or 2007? Not a single word—not an utterance. Senator Bernardi did not speak on the 2006 or 2007 budget bills. In his speech on the 2008 budget he did not mention pensioners once.

Of course, I do not wish to hold Senator Bernardi solely responsible for the blatant hypocrisy displayed in his proposal today. He is only doing the bidding of his front-bench, who, in turn, are echoing the line being taken by the coalition leadership in the other place. But there is no disguising that this is a cheap, hypocritical populism being dreamt up by the Liberal Party. Of course, it was the creature of the failed former opposition leader, Dr Nelson, who has bequeathed this foolish strategy to his successor, Malcolm Turnbull, and his loyal acolytes in this place. Mr Turnbull’s regard for pensioners has of course been a hallmark of his career—at the bar, in the IT business or in merchant banking! We know what this is all about.

That banal, unemotional delivery by Senator Bernardi reveals the truth. This is a piece of political positioning by the Liberal Party. It is a new opposition fumbling about, trying to find for itself a purpose, a role. It is in the business of trying to find a new position from which to declare itself to the Australian people, but what a foolish attempt it is now for the Liberal Party to try to reinvent itself as the party of compassion. This is a trajec-
tory that will no doubt have the same success 
as Costello’s book sales. This is not going to 
work, because you are not the party of com-
passion; you have spent 12 years in office 
proving to all and sundry that you are not the 
party of compassion and you are not going to 
so quickly change your disguise from your 
efforts of the Howard legacy.

Senator Bernardi and his colleagues dem-
onstrate through this proposal that they are 
not immune to the Liberal Party’s voyage of 
self-discovery that is underway at the mo-
ment as they try to search for the socialist 
heart they believe beats somewhere deep 
inside the Liberal Party. Keep searching, 
Senator Bernardi—you will not find it. This 
is a repositioning by the Liberal Party. They 
are in opposition; we all understand they 
have to engage in some repositioning. But 
what a poor choice, because it is politically 
implausible.

I have here a list of the new opposition 
shadow ministry. Let us go through this list 
and see how much the coalition front-
benchers in this place have done to meet 
what the proposal says is the need for imme-
diate financial relief for single age pension-
ers. When Mr Brough, then the Minister for 
Families, Community Services and Indige-
nous Affairs, took a submission last year to 
cabinet seeking an increase in the base rate 
of the age pension, how much support did he 
get from his colleagues in the Senate? I 
might take this opportunity to thank the for-
mer member, Mr Brough, for his honesty in 
revealing the absolute depths of hypocrisy to 
which those Liberal Party strategists have 
plumbed in trying to reinvent themselves as 
champions of the pensioners.

We all know what is going on here. Somewhere, deep in the heart of the Liberal Party strategic team, they have rediscovered 
the need to find the grey vote. Someone in 
the Liberal Party, in analysing the entrails of 
their catastrophic 2007, has said, ‘We need to 
rediscove the grey vote.’ My only advice to 
you, Senator Bernardi, would have been to 
try to come up with a more plausible plan— 
something that did not reek of the hypocrisy 
and the crocodile tears that you are forcing 
us all to endure at the moment.

The ACTING DEPUTY PRESIDENT 
(Senator Moore)—Senator, your remarks 
should be directed through the chair.

Senator FEENEY—I apologise, Acting 
Deputy President. Senator Minchin is the 
champion of conservatism in this place, not-
withstanding the fact that we are now in the 
‘time of the moderates’, as one Liberal in-
sider revealed recently. Senator Minchin is 
familiar with these moderates. Chris Pyne is 
another champion of the moderates. We all 
remember Chris Pyne in office, don’t we? He 
was too young to be the minister for ageing. 
Let us now hope that he is not too smart to 
be the shadow minister for education.

Senator Minchin, Senator Coonan and 
Senator Ellison were members of the cabinet 
that knocked back Mr Brough’s submission. 
Senator Ellison is no longer on the front 
bench, but Senator Minchin and Senator 
Coonan most certainly are. Day in and day 
out they have now sought to lecture us about 
the plight of age pensioners—this new dis-
covery of theirs. Since he was the Minister 
for Finance and Administration at the rele-
vant time, did Senator Minchin support Mal 
Brough’s submission? It does not seem very 
likely that he did. If I am wrong about that, 
let him come in here and explain it to us. Did 
Senator Coonan support Mr Brough’s sub-
mission? I do not know. But I think it is now 
time for her to tell us. Senator Ellison was 
Minister for Human Services at the relevant 
time. He would have had first-hand knowl-
dge of the position of age pensioners. Per-
haps he supported Mal Brough’s submission 
to the cabinet. But the fact of the matter is
that they were all silent. They have discovered age pensioners and they have discovered these issues only in their cynical search for political recovery. That is apparent to all of us. That was apparent to all of us from the moment this farce began. The only thing that they do not understand is that it is also apparent to pensioners.

Whatever the position taken by these senators, the fact is that the Howard cabinet rejected Mr Brough’s submission. The Howard government, after 15 years of continuous economic growth and at a time when, Prime Minister Howard told us, the Australian people had ‘never had it so good’, decided not to increase the base rate of the pension. No-one resigned from the cabinet in protest and, as I have already detailed, Senator Bernardi remained mute.

The fact of the matter is that the cost of increasing the base rate of the age pension for the 980,000 single age pensioners by $30 a week is some $1.5 billion a year. The Labor Party and the Rudd Labor government understand the plight of pensioners and, unlike those opposite, for us this is not a new discovery, a facade or a political stratagem. For us it is a matter of principle, of policy and, I might say, of action. Those on this side absolutely and, I might say, contemptuously dismiss the claims of those opposite to be motivated by concerns for age pensioners. They are not. This is a bogus populist campaign, poorly conceived and executed. It will lead them nowhere. It is designed to distract attention from their own dismal record of failure and irrelevance, a record built on top of a record in office of ignoring pensioners. Last November the Australian people rejected them and their policies, particularly their harsh, extreme and unjust treatment of Australian working families. Those opposite then elected a leader who completely failed to connect with the Australian public, and now we have to endure this farce. We on this side know that the situation of Australia’s age pensioners is a tough one, just as it was 18 months ago. (Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.24 pm)—I support both components of this motion: to recognise the valuable contribution of age pensioners to the Australian community and also to recognise the need for immediate financial relief for single age pensioners. On the first matter, I would join with every member of this parliament in recognising that age pensioners are making and have made a valuable contribution to our nation. In fact, we all know that we would not be one of the wealthiest, healthiest, happiest and most ‘easy to live in’ nations on the face of the planet if it were not for the lifetime of contribution that age pensioners have given to both their families and their communities in making Australia what I think all of us would agree is the most liveable place anywhere in the world. It is very important that that ongoing contribution of pensioners be recognised as this motion puts it.

Then we move to the need for immediate financial relief for single age pensioners—and, I would add to that, for all pensioners and carers in this country. They are in very difficult circumstances. We have had the plight of pensioners canvassed in the parliament over the last couple of weeks—and, indeed, from the Greens in the Senate for several years now in our campaign to have the pension increased. Let me refer to a single letter from a pensioner who would now be 80:

This may help you with the old pension bid—that is, to improve the pensions—

Mr Brown. It is all very well to worry about the groceries, and we have to worry about groceries—a little bit of humour here—
and which ones we don’t buy—‘Oh, I can’t afford this and I can’t afford that either.’ It is approximately $150 a week more if I have to have soap powder, soap, bleach, etc, etc.

This is all in the citizen’s own handwriting. The letter continues:

Then there’s the vegetables and the fruit and, on top of that, the petrol and the tyres. No meat— I can’t afford that. No entertainment—that’s out altogether. Groceries approximately $150 a week. Newspapers, Telstra, car insurance, the power bills—

government has given some relief there in the last year—

operation on eyes ...

That item comes in at $2,680 twice, so that comes to more than $5,000, and this is somebody getting less than $15,000 a year. So, in one smack, there is a third of that person’s income gone. We have heard in here about people who are having 40, 50, 60 or, on one occasion, 80 per cent of their pension taken in rental. There are 100,000 people on single age pensions in this country living on $20 or less a day. Take out a $20 note in the morning and think about the cost of providing meals, shelter and accommodation—sorry, not shelter, because the rental is paid. Think about the cost of providing health care, transport, the newspaper—you would have to think about that—and so on. It is a very tough position indeed, and we ought to be acting to alleviate that while the government moves, if it so wills, to come to a final decision on increasing pensions by next year’s budget.

The work by the opposition and the cross-bench in this parliament, in the last several weeks, is to provide immediate relief. And that is the matter that has been causing so much contention. On that matter, the coalition’s bill to give an increase of $30 to single age pensioners and veteran pensioners passed the Senate and went to the House of Representatives yesterday. There we saw the government not only refuse to debate the bill—to have a debate about a matter of quite urgent importance to this nation—but gag that debate on the basis that it was not constitutional.

What the government was saying is that if the Senate passes a bill and takes it to the House then it is up to the House to judge whether the behaviour of the Senate is constitutional or not. I submit that that is a very dangerous precedent and judgement for the House to be making. I submit that it is an outrageous abuse of the proper respect that parliamentary houses should have for each, under not only the Constitution but also the standing orders of both houses. It is effectively the government ignoring the Senate in much the same way as it is ignoring 1.2 million age pensioners in this country.

The worthy Clerk of the Senate, Harry Evans, wrote to Senator Minchin on 15 September pointing out the legitimacy of the coalition’s bill, and that has been canvassed by a number of speakers in this place. It was information available to the House. However, the Clerk of the House thought differently, and the government said, ‘This is an unconstitutional bill in the House; we won’t deal with it,’ and then gagged debate. I am now in receipt of a comment from the Clerk of the Senate with information about what led to that situation in the House yesterday. The Clerk says:

When the bill was received in the House of Representatives, the government did not allow the bill to be considered, on the basis of its alleged constitutional defectiveness.

A statement by the Speaker, referring to bills which increase payments from standing appropriations, claimed that “the practice has been that such bills originate in the House”, while a motion moved by the government stated that such a bill “should be introduced in the House of Representatives” and that “it is not in accordance with the constitutional provisions ..... as they have been
applied in the House for such a measure to have originated in the Senate”.

Mr Evans says:
Unfortunately, debate on this motion was “gagged”, so there was no explanation or analysis of it. The House was not allowed to debate a matter supposedly affecting its own powers.

What an extraordinary way for a government of this nation to behave in the house of government—to not allow the powers of the House, let alone the right of the Senate to pass its legislation, to even be debated on the floor of the parliament. And it is a Labor government, at that! The Clerk goes on to cite a number of examples where such legislation has come from the Senate before, stating:

... there is no shortage of examples of government bills exactly the same in principle as the Urgent Relief for Single Age Pensioners Bill which were initiated in the Senate.

Speaking of the House of Representatives, he went on to say:

Multiplying past examples demonstrates that either government advisers were negligent about the bills which could be initiated in the Senate according to the doctrine now expounded, or the doctrine was raised to cover the situation in relation to the current bill.

That is, the pensions bill.
I suggest that the latter is the case.

I seek leave to incorporate the whole of this letter from the Clerk into the Hansard.

Leave granted.

The document read as follows—

24 September 2008
Senator Bob Brown
Leader of the Australian Greens
The Senate
Parliament House
CANBERRA ACT 2600

Dear Senator Brown

URGENT RELIEF FOR SINGLE AGE PENSIONERS BILL

This note is further to the advice already provided on this bill.

When the bill was received in the House of Representatives, the government did not allow the bill to be considered, on the basis of its alleged constitutional defectiveness.

A statement by the Speaker, referring to bills which increase payments from standing appropriations, claimed that “the practice has been that such bills originate in the House”, while a motion moved by the government stated that such a bill “should be introduced in the House of Representatives” and that “it is not in accordance with the constitutional provisions ….. as they have been applied in the House for such a measure to have originated in the Senate”.

Unfortunately, debate on this motion was “gagged”, so there was no explanation or analysis of it. The House was not allowed to debate a matter supposedly affecting its own powers.

It appears that these statements draw a distinction between bills which result in expenditure from a standing appropriation and bills which otherwise result in expenditure from appropriations made elsewhere.

My note of 15 September 2008 referred to bills “which involve increased expenditure from appropriations which have already been made, or will be made in the future”, and which “are commonly introduced in the Senate”. Bills involving expenditure from standing appropriations fall into that category, but so do other bills involving increased expenditure. There is no difference in principle between those types of bills in this category, and no basis for distinguishing bills involving expenditure from standing appropriations from bills involving expenditure from other appropriations. If a bill causing expenditure from standing appropriations is to be treated as a bill appropriating money within the meaning of section 53 of the Constitution, bills involving expenditure from other appropriations would have to be treated in the same way. Once section 53 is regarded as rubbery and is extended beyond bills which actually appropriate money, there is no end to how far it will extend.
For example, late last year there was a bill passed which had been initiated in the Senate, the Aviation Legislation Amendment (2007 Measures No. 1) Bill 2007, and which, according to the explanatory memorandum, involved increased expenditure of $3 million per year. This was not from a standing appropriation, but from money regularly appropriated for the Civil Aviation Safety Authority, but on the rubbery extension of section 53, this bill, and many others, would be caught.

Leaving that issue aside, there is no shortage of examples of government bills exactly the same in principle as the Urgent Relief for Single Age Pensioners Bill which were initiated in the Senate. My note of 15 September referred to the National Health Amendment (Pharmaceutical Benefits) Bill 2007. An attempt has been made to distinguish this bill, seemingly on the basis that it might not necessarily have led to increased expenditure. The fact is that that bill created an entitlement to pharmaceutical benefits which did not exist before, in respect of prescriptions issued by optometrists, and authorised expenditure to fund that entitlement from the standing appropriation in the principal Act. It falls squarely within the category now said to be impermissible for initiation in the Senate.

Further examples may be cited. The Health and Ageing Legislation Amendment Bill 2003 also created new entitlements payable from standing appropriations under the principal legislation, in respect of pharmacists operating from premises previously not approved, and medical practitioners previously not recognised as specialists. Both entitlements increased expenditure out of the standing appropriations.

The Social Security Legislation Amendment (Concession Cards) Bill 2000 was not only initiated in the Senate but amended in the Senate to extend entitlements under the legislation, in relation to foster care children issued with their own health care card. Again, the new entitlement was funded from the standing appropriation.

Multiplying past examples demonstrates that either government advisers were negligent about the bills which could be initiated in the Senate according to the doctrine now expounded, or the doctrine was raised to cover the situation in relation to the current bill. I suggest that the latter is the case.

A great many red herrings have been dragged across the path by the material presented in the House of Representatives. One relates to a proposal by the Senate Procedure Committee in 1996 that section 53 be reinterpreted so as to classify the kinds of bills under discussion here as appropriation bills able to be initiated only in the House of Representatives. That proposal was contingent on clauses being included in such bills explicitly acknowledging that they appropriate money. This proposal was not accepted at the time, and indeed was not considered. It cannot now be raised to support an ad hoc unilateral reinterpretation of section 53 while ignoring an essential part of the proposal.

Reference to the ability of the Houses to agree on an interpretation of section 53 raises a final point. Contrary to suggestions which have been made, it is well established, by the words of the High Court itself, that section 53 is non-judiciable and cannot be the subject of interpretation and adjudication by the Court. It is for the Houses themselves to interpret and apply the section. It is unfortunate that the House of Representatives is not given the freedom to consider any such agreement.

Yours sincerely

(Harry Evans)

Senator BOB BROWN—I thank the Senate. I believe that this is an extremely serious matter which should have been debated in the House and which, no doubt, will lead to a great deal of constitutional debate outside the parliament, because it has been prohibited from debate in the House by the Rudd Labor government. It will be left to be debated outside the parliament for a long time to come, but it is a quite worrying precedent. If this is a backdoor move by Prime Minister Rudd and/or his government to try to trammel the Senate, it is bound for a lot more trouble than we have seen so far. (Time expired)
Senator BOYCE (Queensland) (4.35 pm)—I would like to support Senator Bernardi’s proposal lauding the contribution that has been made to our society by pensioners, particularly age pensioners, and the need to assist all pensioners immediately, in particular single pensioners. I will explain why I think that is the case shortly. I do not think Senator Brown should be surprised at all by the extraordinary behaviour of the Rudd government to stifle debate and to stifle action on the part of this parliament. I think it is just part of the form of this government.

Pensioners should be a treasured and respected part of our community. They are the parents of our generation and grandparents—and often carers, as grandparents—and they have contributed significantly to the great prosperity of this country, as Senator Bernardi pointed out. Now in their later years, they are very much the backbone of our community organisations. They are the majority of our volunteers. They are the people who hold our society together. They contribute billions of dollars worth of unpaid hours to keeping our society functional—or at least they were when they could afford to be.

We introduced a bill into the Senate to give single age pensioners, single service age pensioners and widow B pensioners a $30 increase in their pensions, and the Senate—which apparently has far more compassion and moral fibre, I suggest, than the House of Reps—passed this bill. It went on to the House for debate. One would have thought that the House would have relished the chance to at least have their say on this suggestion to increase these pensions by $30 a week, but the government, in their mean-spirited wisdom, completely stifled debate—not just debate on this move but debate on the constitutionality of this and the right of the Senate to propose this. The government stomped on any opportunity for their members to represent their constituents. They would not even talk about it. They used legalese to not talk about something that affects hundreds of thousands of people in Australia every day—now. I have previously characterised the Rudd Labor government as the ‘empathise and ignore’ government, but I think we can now call them the ‘empathise and stifle’ government.

There is only one answer in the Rudd government toolbox—that is more reviews and more inquiries. I think Prime Minister Rudd has reduced the prime ministership of this country to that of public servant in chief. He confuses reports with reforms. He confuses inquiries with real help. The way that our age pensioners are being treated now is testament to what we are not doing as a nation—how we are not treating well and not respecting our most vulnerable. I think every inquiry we have had on this matter has made the point that single female age pensioners are the most vulnerable, especially the ones who live in rented accommodation.

The Australian Catholic Social Justice Council recently built on their definition of poverty from 1996. I thought this was worth reading out so that people can contemplate how much of this applies right now to our pensioners. The Catholic Social Justice Council’s definition of being poor is:

- To have inadequate access to resources and services.
- To be unable to do certain tasks that are essential for fulfilling one’s human potential and carrying out one’s social responsibilities.
- To be shunned, denigrated, blamed, patronised and ostracised by others.
- To have little opportunity to participate in decisions affecting one’s life.
- To be, and to feel, powerless, excluded, marginalised, … to live ‘in exile’ in one’s own society.

Now, let us keep those criteria in mind. A few weeks ago, I spoke on the cost-of-living
problems being experienced by pensioners and mentioned some of the comments that pensioners had written in letters to my office. Many commented that they could no longer afford the petrol to get to volunteer activities and they could no longer afford to be involved in social activities. One that stayed with me from the almost 800 letters that I received said: ‘I can’t afford to buy new clothes or shoes that are badly needed. I do not have any superannuation or a car or a house, only a pension. I cannot even afford to die, because I cannot afford a funeral.’ Thank goodness there is a little bit of the Australian sense of humour left in these people, because that is all they have got now.

In terms of the contribution of pensioners, cruelly ignored by the Rudd Labor government, I guess I cannot do much better than pass on the comments of an RSL club secretary who recently rang about the availability of flags for veterans’ funerals. He said: ‘Most of our servicemen served in World War II. These days, some weeks we have three funerals.’ These are the people we are talking about; that was their contribution—

Senator Bernardi—Shame!

Senator BOYCE—and the government’s reaction is, as Senator Bernardi points out, a shame. This government will not even talk about it. We have had Senator Feeney discussing hypocrisy and poor choices. I think perhaps, Senator Feeney, what the pensioners of Australia are starting to realise is that the worst choice, the poorest choice, they made was in November last year. And the Labor Party—

The ACTING DEPUTY PRESIDENT (Senator Moore)—Senator Boyce, I remind you that your comments must be through the chair.

Senator BOYCE—I am sorry, Madam Acting Deputy President. The Labor Party, of which Senator Feeney is probably the most recent representative, attempt to suggest that our government did nothing for pensioners. They know that is false, but they continue to try to rewrite history. Let me just remind Senator Feeney and others of what we did do. We introduced the indexation of pensions not just to CPI but also to MTAWE, male total average weekly earnings, whichever was higher. This meant that single pensioners were more than $36 a week—directly into their pockets—better off than they would have been under the system that used just CPI. Under our government, wages went up and the economy was robust, but pensioners also benefited from that prosperity. It was a reasonable recognition of a real contribution. We also introduced utilities allowances, the seniors concessions allowance, bonuses of $1,000 a year to meet household bills and the Pension Bonus Scheme, in 1998. So to say that we did nothing is an outright lie.

This government needs to find its compassion. It suggests that what we were trying to do was unconstitutional. Stop being hypocrical. You are the government; you can act. Introduce this legislation now. Stop reviewing, and act to assist people who genuinely need assistance. (Time expired)

Senator PRATT (Western Australia) (4.43 pm)—Labor understand the pressure that pensioners are under, especially age pensioners. Providing a basic standard of living for those not able to support themselves is a core Labor value and a key principle of the income support system, because every citizen should be able to meet their basic needs and participate in Australian society. We recognise that rising food and petrol prices and the cost of heating and other utilities can determine whether or not Australians are able to live in comfort and dignity and remain active in their communities, particularly when they are surviving on fixed incomes. That is why last year, when in opposition, Labor initiated the Senate inquiry into the
cost-of-living pressures on older Australians—because we understood that seniors were doing it tough.

We are intent on properly addressing 11 years of coalition neglect, giving pensioners dignity in their everyday life. The unsustainable position that pensioners are in today is a problem created by those opposite, who did nothing to fix the problem in 11 long years of government. In contrast, immediately on coming to power, Labor acknowledged the problem and took responsibility for doing something about it. We recognised the needs of pensioners in our very first budget with a substantial increase in the utilities payment. It is not appropriate to fiddle with the base rate of the pension without looking at the issues as a whole. For example, we have just had a claim that the Liberals fixed the pension to average male weekly earnings. What happens to that benchmark once you fiddle with it by adding the extra $30?

Senator Humphries—It goes up! That’s what happens.

Senator PRATT—Yes, it will, but what happens to that policy in the future when you do not have a robust policy setting? It may well mean that pensioners go backwards. It is not appropriate to fiddle with the base rate of the pension without looking at the issues as a whole. With a flat increase, not everyone will be better off. That is too simplistic a way to look at the issues. I would like to highlight to the Senate today some of the complexities behind this—issues the coalition never dealt with.

We have known for a long time that many pensioners are struggling to get by on the base pension rate, particularly single women—who have worked hard all their lives, raised families but have little or no superannuation. As the cost of living rises, we know they are finding it harder to make ends meet, particularly if they are renting their home. Labor recognise that the recent practice of simply paying one-off bonuses to carers and seniors when the budget allows, though better than nothing, has created huge uncertainty for pensioners. The former government’s repeated unconscionable practice of not providing for these payments in the forward estimates left pensioners with no financial security.

Importantly, this is a problem this government has rectified in its forward estimates, with big increases to the amounts paid. In other words, those opposite never budgeted for real increases in the pension. The Labor government, in contrast, are committed to developing a reliable, long-term system to support aged pensioners, not perpetuating the short-term quick-fix ways of the past. In the interim we are paying seniors and carers a bonus valued at $1.8 billion. There are differing views about how assistance to seniors and carers should best be paid and how current arrangements should best be adjusted for the future. We have paid the bonuses this year to give our carers and seniors assistance while we work with them to answer these questions.

The constant political grandstanding of those opposite does not alter the fact that these issues are more complex than they appear. The government want to address this properly so that pensioners can live with dignity. The Senate Standing Committee on Community Affairs highlighted in its report A decent quality of life: inquiry into the cost-of-living pressures on older Australians the importance of doing the job properly. It also highlights that the adequacy of pension and superannuation levels, the indexations arrangements for government benefits and the payment of concessions all substantially impact on the ability of older people to deal with cost-of-living pressures. The report noted that the most at risk are single pensioners, especially women receiving the full
pension rate. Older people with severe dis-
abilities or chronic illness and those in resi-
dential aged care are also particularly sensi-
tive to cost-of-living increases. These issues
are well understood by pensioners.

As highlighted, the federal government
recently held consultations with pensioners
in Western Australia about these issues. As
part of this review, we are getting out there
and talking to pensioners about their day-to-
day problems, their cost-of-living pressures
and the problems in the system. Some of the
issues raised by pensioners included issues
around assets tests and whether they are set
at realistic levels; how pensions are taxed;
the high effective marginal tax rate for pen-
sions when people undertake extra work;
how people who want to do some work feel
discouraged from doing so; the fact that, for
disability pensioners, the grants and rebates
do not cover the kinds of equipment that
people need; and the fact that the current
system does not cater for the extra costs as-
sociated with having a disability once you
turn 65 because people are taken off the dis-
ability pension when they turn 65.

What if you are a person with a disability?
The fact that people have the choice about
whether they want a carers payment or an
age pension confuses the situation further.
People who would otherwise be eligible for
an age pension could opt for a carers pension
instead. Did you even know that? In doing
that, you have just cut out all those carers
from the pension increase. It just goes to
show that you cannot do this unless you do it
properly.

People struggle to do the complicated
maths about whether they will be better off
under one or the other because of the lack of
consistency between the two. For example,
with carers pension you get some lump sum
assistance but no seniors concessions. There
you can see the simple difficulty you are put-
ting people into. There is also the problem of
concessions and rebates. These are massively
inconsistent between states. Did you also
know that hardships rules vary between age
and disability pensions?

Yes, giving people more money is vital,
but if the things said by WA pensioners are to
be believed, that is not the whole problem.
They said, ‘The system is confusing. We
struggle to make sense of what options give
us the best financial support.’ And, yes, they
said, ‘We’re concerned about making mis-
takes and owing money. Yes, we need more
money, but we also need the system to be
simplified and work better for us.’ This
shows that there is an urgent need to do this
properly. A simple increase in the base rate
for single pensioners will leave carers be-
hind, it will do little to help those in residen-
tial aged care and it will do little to address
those struggling with chronic illness.

During the last decade, the needs of pen-
sioners were neglected. For too long those
opposite raised expectations that something
would be done but offered only bandaid so-
lutions—solutions that were not budgeted for
from one year to the next. It is cruel to raise
expectations in this way. It is cruel to mess
around with payments without committing to
long-term solutions, and the coalition are still
at it. They are still raising expectations that
they have no capacity to meet. They are still
offering up stopgap solutions as substitutions
for sustainable solutions.

This government has more heart than that.
This government is committed to finding real
solutions to the problem of providing ade-
quate assistance to aged pensioners. The
valuable contribution of aged pensioners
should be recognised with real, budgeted and
sustainable solutions for the long term—
solutions age pensioners can rely on into the
future.
Senator HUMPHRIES (Australian Capital Territory) (4.53 pm)—Labor have run through the entire gamut of excuses as to why they should not support immediate relief for Australian pensioners. We have heard just about everything. Earlier this week we were told that it was constitutionally impossible to pass a bill to provide pensioners with $30 a week. Today we have heard that the system of paying pensions is very confusing and that you cannot just give people money because it is a bandaid solution, so you cannot adopt this idea of giving people $30 a week to solve an immediate, real problem. We have heard that nothing is required at this point in time because the Liberals did not do anything about this problem. The unstated part of the argument is, ‘Therefore, we are entitled to do nothing about it as well for quite some time.’

Now we have had the extraordinary contribution from Senator Pratt to this debate that, if you give pensioners $30 a week, they might go backwards. I am confident that if I rolled into a senior citizens club in this town or went to an aged-care facility and said to people, ‘Would you like to go backwards to the tune of $30 extra a week?’ they would say, ‘Yes, we will take our chances, thank you.’ Hands would go up for going backwards. I do not know where those arguments were cooked up, but they do not hold a lot of water.

Let me put this simple proposition to those opposite: if you think that there is more work to be done on this question, some sort of review of the kind that you have specialised in since coming to office nine months ago, by all means go ahead and do that review and work out what you think is the right solution for a long-term problem. But, at the same time, honour what you said in this place and elsewhere this time last year when you initiated the inquiry of the Senate Standing Committee on Community Affairs into the living standards of older Australians and do something immediately to address the real problems that older Australians are facing now. The two courses of action are not inconsistent. There is no way that adding $30 into the pockets of aged pensioners in Australia is going to detract from a longer term review of how you structure pensions in this country. The two are perfectly capable of sitting together. I would suggest that that would keep faith with the urgency with which you people approached this issue only this time last year. A lot changes when you cross the floor, go onto the other side and take the Treasury benches, but the urgency and immediacy of that issue seemed to magically disappear in the course of that transition.

Senator Arbib—What did you do in 12 years? Nothing.

Senator HUMPHRIES—Senator Arbib has interjected that we have done nothing in the last 12 years. Senator Arbib, I appreciate that that is the line you have to run because you have been told that that is the corporate line.

The ACTING DEPUTY PRESIDENT (Senator Moore)—Senator Humphries, please direct your comments through the chair.

Senator HUMPHRIES—Through you, Madam Acting Deputy President, I appreciate that that is what they have all been told to say. It sounds really good for the listeners at home who, if they are not pensioners, perhaps would not know what has happened in the course of the last 12 years. But the fact is that that line is simply not true; it is a myth.

This coalition was responsible for probably the most significant lift in the real value of pensions that we have seen since the pension system was introduced decades ago. For example, to mention only one of the initiatives that the coalition took in government,
had we not indexed pensions by reference to MTawe as well as the CPI, pensions today would not be around $273 per week for single pensioners; they would be just on $200 a week. That was the difference that our decision made. Are you telling me that that was not real action? Are you telling me that those pensioners did not benefit from an extra $73 per week? Of course they did. It made a real difference to those people—as did our decisions to change the income test withdrawal rate for pensioners earning money on top of their pension, to introduce a utilities allowance in 2005 and to modify the assets test taper rate in 2007 to allow people to have more assets and still receive a pension. All of those things made a real difference to pensioners. Were they enough? Clearly, in light of the present evidence about the pressures on older Australians, they were not.

I would ask members of this place to look outside the square in which they are operating at the moment and consider what people in this community who are doing it tough might think about the debate we are having today. Would they be impressed with our arguments about the constitutional validity of this motion or the potential for it to confuse the review of some other government program taking place in the bowels of the Treasury? No, I do not think they would be impressed by that at all; they would be impressed by action.

I invite the Labor Party to share the passion that they had last year for doing something about the pressures facing older Australians—the sort of people who are cutting corners in their standard of living, the sort of people who are entering into reverse mortgages to effectively borrow against the value of their homes in order to be able to take advantage of the capital in their homes to spend money on their standard of living today, the sort of people—

Senator Pratt—People like my mother.

Senator HUMPHRIES—Well, if you know about that, Senator Pratt, then support the action. Come over here, cross the floor and sit over here, and do something about it. It is within your power. Allow your colleagues in the other place to exercise a free vote about what they think. I am sure plenty of them have constituents who are pensioners who are telling them that $30 a week right now—forget how it would affect a review—would be very, very nice to have in their purse or wallet when they go to buy groceries or put petrol in their cars every week. That is the challenge I put out to you: share the sense of mission you had when you initiated that inquiry last year, when you said there was an urgent problem facing Australia, to deal justly with the standard of living of pensioners. If you do that then you will support the motion we put on the table today to actually make a difference to the lives and standard of living of older Australians.

Senator ARBIB (New South Wales) (5.00 pm)—I would actually like to thank Senator Bernardi for moving this matter of public importance. I am glad he has put it on the record because it highlights the sheer hypocrisy and the cruel game that is underway on that side of the chamber. There is one thing that we all agree with: age pensioners have made and continue to make a significant and valuable contribution to the Australian community. These are people who have paid their taxes. They have worked hard for the country. They have gone to war; their spouses have sent their loved ones off to war for this country. They have lived through tough times. They have not benefited from the superannuation reforms that were brought in by the Keating government. It is for these reasons that pensioners do not deserve the treatment that they are getting from the other side of the chamber, because there is no doubt, from the speeches by Senator Ber-
nardi and Senator Humphries and the speeches in the chamber, that this is nothing but a cruel hoax.

I have to say to Senator Bernardi, through you, Mr Acting Deputy President, that the wording of this MPI says it all. While the MPI recognises the valuable contribution of age pensioners, it only talks about immediate financial relief for single age pensioners. We are talking about the contribution of all pensioners, but the coalition will only provide a benefit to single pensioners. You have left out 2.2 million pensioners. We are talking about married pensioners, about carers, about people on disability benefits, about widows—

Senator Bernardi interjecting—

Senator Humphries interjecting—

The ACTING DEPUTY PRESIDENT
(Senator Hutchins)—Order! Senator Bernardi and Senator Humphries, could you just restrain yourself. You have already spoken. Let Senator Arbib speak in silence.

Senator ARBIB—Thank you, Acting Deputy President. These people—2.2 million people on pension support—have been forgotten by the Liberal Party, not mentioned today by Senator Bernardi, not mentioned by Senator Humphries, because they know and we all know that this is nothing but a hoax. It is nothing but a cheap stunt, and the architect of this stunt was none other than the member for Wentworth, who claims to be so in touch with Australian families, so in touch with pensioners, from his Point Piper base, has not seen through the stunt. In fact, he is adding to it. What he has shown is that he is cut from exactly the same fabric as the member for Bradfield; he is no different. While the personalities and the people change, the policies do not.

Listening to the speeches today about all the amazing things that the Liberal Party did in government over 12 years, I noticed that they tended to forget or gloss over some of the facts. Senator Humphries talked about the myth that Mal Brough had put forward a very similar proposal. It is not a myth, it is fact. He went to the cabinet and put forward a proposal for a $30 increase to the base rate for pensioners and he was knocked over. They did not support it, they did not believe in it; it was bad policy. So they knocked him over. They do not admit it now—it is a myth; but it was a fact. It is amazing when they talk about their great commitment to seniors. Let us talk about the responsible shadow minister, Tony Abbott. Four days ago he was saying he wanted out of his portfolio. He did not want to have to deal with families and seniors and Indigenous people. He was more interested in getting into the main game. (Time expired)

The ACTING DEPUTY PRESIDENT
(Senator Hutchins)—Order! The time for this debate has expired.

COMMITTEES
Privileges Committee
Report

Senator BRANDIS (Queensland) (5.05 pm)—I present the 135th report of the Committee of Privileges entitled Persons
referred to in the Senate: certain persons on behalf of the Exclusive Brethren Christian Fellowship.

Ordered that the report be printed.

Senator BRANDIS—I move:

That the report be adopted.

This report is the 52nd in a series of reports recommending that a right of reply be accorded to persons who claim to have been adversely affected by being referred to, either by name or in such a way as to be readily identified, in the Senate.

On 16 September 2008 the President received a submission from Mr Doug Burgess, Mr Daniel Hales, Mr Bruce Pridham and Mr David Stewart on behalf of the Exclusive Brethren Christian Fellowship related to remarks made in the Senate on 26, 27 and 28 August by Senator Bob Brown and Senator Christine Milne. The President referred their submission to the Committee of Privileges under resolution 5. The committee considered the submission on 18 September 2008 and recommends that the proposed response by Mr Burgess, Mr Hales, Mr Pridham and Mr Stewart on behalf of the Exclusive Brethren Christian Fellowship, as agreed by the committee, be incorporated in Hansard.

The committee takes this opportunity to remind the Senate that in matters of this nature it does not judge the truth or otherwise of statements made by honourable senators or statements made by the persons referred to. Rather, it ensures that these persons’ submissions and, ultimately, the responses it recommends be published in accord with the criteria set out in privilege resolution 5. On this occasion, the Privileges Committee has so resolved. I commend the motion to the Senate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (5.08 pm)—I thank the Senate Standing Committee of Privileges for bringing this report down. I will be supporting the suggested incorporation into Hansard of the submission from the four elders of the Exclusive Brethren sect. I have not had an opportunity to read what they have had to say, so I and my colleague Senator Milne will take that opportunity and we will no doubt have a contribution to make about the matters canvassed by the Exclusive Brethren in that report.

At this juncture, I wish to seek leave to table the book Behind the Exclusive Brethren by Michael Bachelard. It has just been released and is now available. It has on the front cover an attribution from David Marr which states:

Shocking and compelling ... an eye-opening account of power and cruelty in a tiny Christian sect that enjoys a privileged existence in Australia.

I seek leave to table the book.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—You are talking about the full book, Senator Brown?

Senator BOB BROWN—Yes. It is publicly available and has been widely canvassed.

The ACTING DEPUTY PRESIDENT—Is leave granted? There being no objection, leave is granted.

Senator Ellison—Mr Acting Deputy President, normally when leave is sought to table we are given an opportunity to have a look at the document sought to be tabled. We have not had an opportunity to have a look at the book. It might be publicly available, but perhaps we could have a chance to have a look at the book first.

Senator Brandis—Mr Acting Deputy President, to contribute to the discussion, given that the purpose of this report is to enable members of the Exclusive Brethren who were mentioned by Senator Milne and Senator Bob Brown to put their rejoinder on the
public record, it occurs to me that it perhaps is not very helpful, by the tabling of a book about the Exclusive Brethren which is evidently very critical of them, to continue to escalate the charge and countercharge about this particular sect or organisation through the process of documents tabled in the Senate. I wonder if I might, through you, Mr Acting Deputy President, suggest to Senator Brown that he consider the position that he withdraw his request to table this manuscript. He has indicated that he is going to contribute to debate on the report at some time in the future after he has had an opportunity to read it. In the meantime, he might enable other senators to have a look at this book he wants to table and might also reconsider his position.

The ACTING DEPUTY PRESIDENT—Senator Brandis, the leave has been granted. It is up to Senator Brown if he wishes to withdraw that application for leave to be granted.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT—No-one said it was not granted.

Senator Ellison—I said, ‘No, I deny leave’.

The ACTING PRESIDENT—Leave is not granted, Senator Brown. I might say, Senator Ellison, that you were not in your seat when this was being discussed. Go on, Senator Brown.

Senator Ellison—Mr Acting Deputy President, on a point of order. I was in my seat when I—

The ACTING DEPUTY PRESIDENT—When you got up you were in your seat, Senator Ellison, but when leave was being sought, you were not.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT—Okay. Senator Brown.

Senator BOB BROWN—I will again seek leave to have the book tabled. It is, after all, available in all good Australian bookshops at the moment and had some extensive extracts from it and commentary on it in the Age and the Sydney Morning Herald last weekend. This situation is similar to having a request to table the book by the honourable former Treasurer, if there were one, being denied. I think it is a mistake to deny the tabling of a book under these circumstances.

In their submission to the Senate—and I now have a copy of the submission—Messrs Burgess, Hales, Pridham and Stewart said, amongst other things:

Senators Bob Brown and Milne are relying solely on misinformation about the Brethren gathered from disaffected, bitter ex-brethren who have had no direct contact with the church for up to forty years. This is confirmed by Senator Milne in her Senate speech on 27 August 2008 quoting from someone who left the church about 20 years ago. Senator Bob Brown is very ill-informed about the Brethren, and has not replied to a written offer of 8 March 2007 to meet the Brethren and have discussions relating to his proposed Senate enquiry.

If members of the Brethren are listening—and I know that radios are not permitted in this sect so, if they are not listening, I will write to them—I say that I would be very pleased to have discussions about the proposal for a Senate inquiry. However, I guess that proposal has passed by because the matter was voted down in the Senate after that date.

They go on to say:

The gratuitous and hostile attacks by Senators Bob Brown and Christine Milne go further than just the Brethren. In maligning Brethren schools, they also denigrate the more than 350 non Brethren teachers and staff employed across Australia who are personally committed to providing a high standard of education for these students.

Et cetera. On those points, let me say this: I am not relying on misinformation about the
Brethren at all; I am relying on, and have relied on, and have been very touched by, the submissions of an appreciable number of honourable citizens of this country who remained Christians but who have left the Brethren because they could not tolerate the overbearing and restrictive nature of the sect and its leadership under the Elect Vessel Mr Bruce Hales, who lives in Sydney. There are some 15,000 Brethren in Australia and 43,000 worldwide, and they live under extraordinarily repressive conditions.

The book by Michael Bachelard to which I referred, *Behind the Exclusive Brethren*, which has been published by Scribe Press, outlines many of the harrowing cases that are now part of the sad folklore of the way in which the Brethren treat those who would dare to question the doctrine of the head of the sect, who claims to be a spiritual descendant of St Paul. The book is committed, and I quote this because it is in a way a summary of the reason that we believe the spotlight should be kept on those leaders.

The book is dedicated to those people both within and outside the Exclusive Brethren who have suffered and who suffer now under their doctrine of separation.

It is that doctrine of separation which ultimately is the thing that causes such heartache for the mothers and fathers and grandmothers and grandfathers who for 20 or 40 years have been separated from their children or their brothers and sisters or their friends. Once they have decided—and it takes a very courageous person—to leave the sect they are sent into Coventry. They are effectively excommunicated. That means they cannot have any conversation with, or any knowledge of, their loved ones who remain within the sect. The heartache that comes from that is terrible, and it is unnecessary.

Who are these elders that now address the Senate and want justice? And they will get it. Their side is being put into the Senate record now. But, consider this: the stories of the ex-Brethren get no such hearing from these elders. Once a person is excommunicated, that is it. There is no appeal court. There is no way of publishing their side of what they think is an action which wrongs them. They get none of the justice that these four elders are getting here in the Senate this afternoon. They are outside—they are cut off. I have spoken to fathers and mothers of children who remain in the sect when they have left and they cannot communicate with their children. This is not just something that passes in the night. This is day after day, year after year, decade after decade. Who are these men that say, in the doctrine of separation, it is evil—they teach children that it is evil—to communicate with their parents because the parents have had the wit, wisdom and courage to decide they did not want to stay within the sect, they wanted to move outside. And these gentlemen say, ‘You should not speak to your parents because they have become evil’ because they have separated.

The time is not with me to take this further, and this parliament has many things to do. But my spirit cannot rest where we have a sect within our midst which does that to families, which denies all their children the right of access to a university because they believe that their children’s heads will be turned if they go to university. In this day and age their children are banned from that, women from having a place of authority over men in the workplace, workplaces where unions are banned and so on and on. It is wrong and one of these days it will be righted. But it will not be righted by the submission from these gentlemen here this afternoon.

**The ACTING DEPUTY PRESIDENT (Senator Hutchins)**—Just to make it clear,
Senator Brown, you sought leave to table that book.

Leave not granted.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.20 pm)—by leave—I apologise earlier that we gave leave. I was following what I understood the precedent to be that documents to be incorporated needed to be seen by the whips of each party. I am now advised that we need to see, as Senator Ellison rightly pointed out, documents that are going to be tabled also. For that reason of consistency we cannot give leave, Senator Brown.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (5.21 pm)—by leave—I will, in the next 24 hours, purchase five copies of the book and distribute them and seek leave before we rise tomorrow for the book to be tabled.

Question agreed to.

The response read as follows—

Appendix One

Response by Mr Doug Burgess, Mr Daniel Hales, Mr Bruce Pridham and Mr David Stewart on behalf of the

Exclusive Brethren Christian Fellowship

Pursuant to Resolution 5(7)(b) of the Senate of 25 February 1988

We make this submission to you as members of the Christian church known as the Exclusive Brethren [the “Brethren”] and on its behalf, using the opportunity afforded under Parliamentary Privileges Resolutions agreed to by the Senate on 25 February 1988 which provide for a right of reply when persons have been adversely mentioned in the Senate in such a way to be readily identified.

On 15 May 2008, Senator Bob Brown gave notice of his intention to move a motion on 26 August 2008 that matters relating to the Exclusive Brethren be referred to the Community Affairs Committee. Twice previously, on 9 May 2006 and 7 February 2007, Senator Bob Brown gave notice of similar motions. The allegations in the motion on 9 May 2006 were answered in the Committee of Privileges’ 127th Report. In this submission we respond to the false and ill-informed hostile assertions made by Senators Bob Brown and Christine Milne in their Senate speeches on 26, 27 and 28 August 2008 concerning the Brethren.

Contrary to the false and erroneous and ill-informed statements made by the Senators, the truth is as follows:

Marriage is not arranged in the Brethren. Marriage is only entered into by couples of their own free will and choice without any third party interference or direction. Married women can and do work, as they determine, in support of their family. Their skills and expertise are highly valued both inside and outside their families. Wives are often active and paid partners, directors and secretaries in business enterprises with their families and other business people.

Persons that leave the church are not abandoned. Leaving is regarded as a tragedy, and to the extent that these former members will allow, are sympathetically followed up by church elders, relatives and friends and supported wherever possible. Parents and others are encouraged to contact their children and vice versa, to provide mutual, physical, spiritual, financial and pastoral care and support.

Brethren have never interfered in proceedings before the Family Court and have not approached presiding judges at any time. Submissions to the Chief Justice of the Family Court were made on two occasions in 1991. These submissions did not relate to specific or current proceedings before the Family Court.

Schools and businesses established by members of the Brethren source their computers direct from commercial suppliers. Mr Bruce Hales has not had any part or involvement in these transactions whatsoever. Further, he has no direct or indirect financial involvement in any business or organization in the IT field. Brethren schools provide IT access to their students to enable them to study the Board of Studies curriculum, as do all non-government schools. Students are not prevented from going on to further education. Manual Arts subjects are available to and studied by
girls and boys alike. All Brethren schools, including Glenvale, use government funding to pay teachers salaries. No government funding has been channelled from Glenvale school to ProVision, nor has ProVision at any time benefited financially from Glenvale school.

Wilmac has never made any donation to the Liberal Party whatsoever. Wilmac lodged a return to the AEC as required and no further action has been initiated by any other party.

The ‘Peebs net’ website has been set up by dissidents who have left the church and is designed to influence the general public against the church and bring it into disrepute. Many of the contributors to this website are included amongst those who, as stated below, have had no contact with the church for up to forty years and some have never been members of the Brethren fellowship. Brethren, and those who have left the church, have always since birth interacted with society, including education, employment and many other commercial and financial transactions. Social fellowship is voluntarily limited to involvement with participants of the Lords Supper (Holy Communion) amongst Brethren.

Though always tragic, suicide is a very rare occurrence amongst Brethren and those who have left the church, and is statistically well below national age group figures. The sanctity of life is taught from infancy, and to cast all our cares on the Lord Jesus Christ and have faith in God.

Senators Bob Brown and Milne are relying solely on misinformation about the Brethren gathered from disaffected, bitter ex-brethren who have had no direct contact with the church for up to forty years. This is confirmed by Senator Milne in her Senate speech on 27 August 2008 quoting from someone who left the church about 20 years ago. Senator Bob Brown is very ill-informed about the Brethren, and has not replied to a written offer of 8 March 2007 to meet the Brethren and have discussions relating to his proposed Senate enquiry.

The gratuitous and hostile attacks by Senators Bob Brown and Christine Milne go further than just the Brethren. In maligning Brethren schools, they also denigrate the more than 350 non Brethren teachers and staff employed across Australia who are personally committed to providing a high standard of education for these students. Such accusations directly impinge on the professionalism of these dedicated people who are part of our Australian community. These staff ensure that the State’s curriculum is taught in accordance with all the educational standards and requirements.

Additionally, the state regulatory authorities are malicious. Without exception each State education authority has registered Brethren schools in their State, have carried out regular inspections, and have maintained their accreditation.

In conclusion, the speeches by Senators Bob Brown and Christine Milne contain many more inaccurate, misleading and false allegations concerning the Brethren church, schools and members which could be contested, however what has been outlined above is sufficient to substantiate that this is an extraordinarily erroneous, ill-informed and unwarranted attack on the Brethren, their church, members and families without due cause or just reason.

We humbly request that you consider the above with a view to incorporating our response in Hansard in order to preserve the integrity and respect of some 15,000 citizens of this country who have been grossly denigrated and misrepresented in the Australian Senate by the hostile statements made by both Senators Bob Brown and Christine Milne.

(Signed)
Doug Burgess; Daniel Hales; Bruce Pridham; David Stewart

Scrutiny of Bills Committee

Scrutiny of Bills Committee Report

Senator ELLISON (Western Australia) (5.21 pm)—I present the 10th report of 2008 of the Standing Committee for the Scrutiny of Bills. I lay on the table Scrutiny of Bills Alert Digest No. 10 of 2008 and I also present the report Work of the Committee during the 41st Parliament.

Ordered that the reports be printed.

Senator ELLISON—I move:

That the Senate take note of the reports.

I seek leave to incorporate my remarks in the attached statement.

Leave granted.
The statement read as follows—

Today, in addition to tabling the committee’s Tenth Report of 2008 and Alert Digest No. 10 of 2008, I am pleased to table a Report on the Work of the Committee during the 41st Parliament.

This 41st Parliament Report discusses the scrutiny work that the committee carried out between November 2004 and October 2007 and also provides statistical data. The report should prove particularly useful to Ministers and their advisers, as it contains examples of how the committee applies the scrutiny criteria set out in Standing Order 24.

As outlined in Chapter 1 of this report, for some years the committee has expressed concern about the quality of the explanatory memoranda accompanying many of the bills that come before it. During the 40th Parliament the committee dedicated its Third Report of 2004 to a discussion of this issue.

During the 41st Parliament, in March 2007, the Government finally tabled a response to that report, agreeing to update the Legislation Handbook to address a number of the issues raised by the committee. Unfortunately, at the end of the 41st Parliament the Government had yet to implement these commitments.

The committee is of the view that access to a Legislation Handbook which is regularly updated to ensure that it reflects current drafting policy and practice will assist public servants to develop high quality legislation and explanatory material.

It is of concern to the committee that the current Handbook, which is administered by the Department of the Prime Minister and Cabinet, has not been updated since May 2000. The committee recently wrote to the Prime Minister seeking his advice on progress in updating the Handbook and we look forward to his response.

During the 41st Parliament, in addition to its legislative scrutiny work, the committee also finalised an inquiry into entry, search and seizure provisions in Commonwealth legislation. The committee’s report on that inquiry is discussed in Chapter 7 of this report.

The Scrutiny of Bills Committee depends on the contributions of many people. During the 41st Parliament, the committee was ably chaired by Senator Robert Ray. The committee also had many distinguished members – Senator Judith Adams, Senator Guy Barnett, Senator David Johnston, Senator Anne McEwen, Senator Gavin Marshall, Senator Brett Mason, Senator Andrew Murray and Senator Stephen Parry.

The effectiveness of the Scrutiny of Bills Committee is also dependent upon the responsiveness of both Ministers and Senators. It is when the Reports and Alert Digests issued by the committee are considered and acted upon by Ministers and the Senate that the work of the committee has its greatest effect, both in improving the legislation considered by the Parliament, and in improving the quality of debate in respect of that legislation.

On behalf of the committee, I would like to put on record our thanks to all those who have helped us achieve what we have.

I commend the Report to the Senate.

Question agreed to.

Foreign Affairs, Defence and Trade Committee Report

Senator MARK BISHOP (Western Australia) (5.22 pm)—I present the fourth progress report of the Foreign Affairs, Defence and Trade Committee on reforms to Australia’s military justice system, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator MARK BISHOP—I move:

That the Senate take note of the report.

In June 2005 the Foreign Affairs, Defence and Trade References Committee tabled a quite comprehensive report on Australia’s military justice system. In essence it found that the system needed a radical overhaul. Since then the Australian Defence Force has embarked on an intensive reform program to improve the system including the establishment of the Australian Military Court and restructuring its complaints handling system.
The Senate committee recognises the positive contribution that the reforms have made to the system. Its primary concern, however, is ensuring that the reform program maintains its momentum and that the gains made to date are not lost. The committee is aware, however, of Defence’s failed history of reforms and of its inability to make lasting change. Indeed, it was that history that forced the committee back in 2005 to call a stop and to seek major reform at all levels.

To help break this cycle of failed reforms the committee believes that there needs to be a set of inbuilt safeguards. It needs to have safeguards around four pillars. It believes that transparency, accountability, proper independence and continuing scrutiny are the four pillars that will preserve and promote the integrity of Australia’s military justice system. If any one of those four pillars should falter, the effectiveness of the system once again comes under threat.

With this in mind, the committee has made a number of findings. The Australian Military Court needs to be more transparent and its disclosure regime improved. The Chief Military Judge of the Australian Military Court has a vital role and responsibility to contribute to the parliament’s understanding of the administration of military justice by agreeing, when invited, to give evidence before the committee. Without doubt the administrative system needs a strong independent and critical oversight authority, an authority responsible for identifying problems in the military justice system and for auditing and reporting on matters such as the progress of complaints and the implementation of recommendations arising from investigations. Although the Inspector-General Australian Defence Force is a statutory appointment, the committee believes that his position needs to be, and needs to be perceived to be, more independent from command. A first step would be to change the reporting requirements of the Inspector-General. Commissions of inquiry are presided over by a civilian with judicial experience, which has to some degree removed the perception of Defence inquiring into itself, but only to a limited degree. They could, however, be more open and accountable for their proceedings and decisions by conducting their hearings in public.

Defence’s failure to consult with external and independent experts when considering reforms to Australia’s military justice system is most concerning and continues to be of concern. This attitude indicates that Defence is not only reluctant to be open and receptive to constructive criticism and new ideas but does not appreciate that wide consultation and open debate present and result in better legislation. The ADF’s inability to make lasting change is clearly demonstrated by the problems that persist with the ADF’s police service and learning culture. The process of building the ADF’s investigative capability and improving its learning culture must be regularly monitored and assessed. In this regard, the committee recommends independent reviews of the ADF’s investigative capability and its learning culture within five years.

There also needs to be more analysis and informative reporting on attitudes in the Australian Defence Force. The committee also accepts that over time refinements or adjustments may be required to the reforms implemented during the last two years. It cited for particular consideration: the conduct and protection of military jurors, an audit of ADF legal service and the appeals processes to service chiefs.

There is a need for regular monitoring, review, independent assessment and reporting of all aspects of Australia’s military justice system, including staffing and resources. In this regard the committee notes: the delays
establishing the facilities necessary for the efficient and effective operation of the Australian Military Court; current problems staffing the ADF Investigative Service, which need urgent attention—it is only manned at around 60 per cent strength; slowness in appointing officers to the Office of the Director of Military Prosecutions and commissions of inquiry; and the suggestion that Defence resources ‘are very stretched’ and the need to ensure that the Fairness and Resolution Branch has the appropriate level of staffing. This will prevent a return to the pre-2005 administrative system, which was plagued by lengthy delays in processing complaints and redress of grievance matters.

The committee welcomes the appointment of Sir Laurence Street and Air Marshal Les Fisher (Retired) to assess the effectiveness of the reform program. In the course of the report, the committee has identified a range of matters—many technical and some legal—that that review team may wish to examine as part of their inquiry.

In summary, the committee wishes to stress that over the last three or more years there has indeed been a serious attempt by the Australian Defence Force to reform their internal processes, systems and, hence, outcomes in the area of military justice. That reform process was long overdue. It was commenced under the previous government and continues under the current government. However we are cognisant of the fact that there appears to be a slowing down in the reform process and that the reform process now needs to switch over to another gear. That is why we suggest that the matters that should guide the continuing reform process in the forthcoming year are those around those four pillars of transparency, accountability, independence and scrutiny. If each of those matters is attended to through each of the arms that dispense military justice to our Defence Force then the saga of military justice reform will have concluded and we will have a premier military justice service for our Defence Force throughout the world.

Finally, again I wish to extend my thanks and that of the committee to the very professional staff led by Dr Kathleen Dermody of the Senate Standing Committee on Foreign Affairs, Defence and Trade. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

AUDITOR-GENERAL’S REPORTS
Report No. 4 of 2008-09

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 4 of 2008-09: Performance audit: The business partnership agreement between the Department of Education, Employment and Workplace Relations and Centrelink.

COMMITTEES
Rural and Regional Affairs and Transport Committee
Membership

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

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.32 pm)—by leave—I move:

That Senator Nash be discharged from and Senator Williams be appointed to the Rural and Regional Affairs and Transport Committee.

Question agreed to.
SAME-SEX RELATIONSHIPS (EQUAL TREATMENT IN COMMONWEALTH LAWS—GENERAL LAW REFORM) BILL 2008

First Reading

Bill received from the House of Representatives.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.33 pm)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.33 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

SAME-SEX RELATIONSHIPS (EQUAL TREATMENT IN COMMONWEALTH LAWS—GENERAL LAW REFORM) BILL 2008

Introduction

The Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Bill 2008 introduces the second part of the Rudd Government’s historic reform to amend many Commonwealth laws that discriminate against same-sex de facto couples and their children.

The Attorney-General introduced the first bill, the Same-Sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Bill 2008 in the House on 28 May 2008.

Today we undertake major reforms which will effectively remove same-sex discrimination from almost all areas of Commonwealth activity. This bill will amend 68 Commonwealth laws.

It will not only remove discrimination against same-sex couples—they also remove discrimination against their families and children.

Shameful delay in removing discrimination

I am sure many would agree that these reforms are long overdue.

The delay in removing this discrimination is a matter of shame for both sides of politics.

It is almost 20 years since ‘sexual preference’ was added as an additional ground of discrimination under the Human Rights and Equal Opportunity Commission Regulations.

In 1997 the Senate and Legal and Constitutional Committee identified discrimination in Commonwealth laws and programs that deal with tax and superannuation benefits.

In 2004, the UN Human Rights Committee found that Australia was in breach of the prohibition on discrimination in the International Covenant on Civil and Political Rights because Veterans Entitlement Act denied a person a pension on the basis of their sexual orientation.

And of course, in May last year the Human Rights and Equal Opportunity Commission released its report Same-Sex: Same Entitlements—the outcome of a significant national inquiry and consultation on that issue.

The Commission found that:

• At least 20 000 same-sex couples experience systemic discrimination on a daily basis.

• Same-sex couples and their families are denied basic financial and work-related entitlements which opposite-sex couples and their families take for granted.

• Same-sex couples are not guaranteed the right to take carer’s leave to look after a sick partner.

• Same-sex couples have to spend more money on medical expenses than opposite-sex couples to enjoy the Medicare and PBS Safety Nets.

• Same-sex couples are denied a wide range of tax concessions available to opposite-sex couples.
The same-sex partner of a defence force veteran is denied a range of pensions and concessions available to an opposite-sex partner. On coming to office, the Attorney-General instructed his Department to carry out a whole-of-government audit of Commonwealth legislation building on the Commission’s excellent work. The audit confirmed Commission’s findings. It further identified that discrimination also occurs in a range of non-financial areas, such as administrative and evidence laws.

What the bill will do
This bill removes discrimination against same-sex couples and their children in many of the laws that were identified by the Commission and the audit.

The bill will ensure in each law it amends that same-sex couples and their families are recognised. The amendments in the bill recognise a same-sex partner and adopt a similar approach to that taken in the first Bill to recognise a child in a same-sex family.

The general approach taken by the bill is that a child will include a child that is the product of a relationship, where one partner is linked biologically to the child or where one partner is the birth mother of the child.

By applying this definition, opposite-sex and same-sex families are treated equally.

The Government is aware of criticism of this approach.

However, without it there is a risk that we will not recognise all children in same-sex families.

The approach also avoids relying on inconsistent State and Territory parenting presumption laws.

We must take a national approach to addressing these issues.

Many in this House would agree that it would be inappropriate for Commonwealth benefits to recognise children on the basis of which State or Territory they happen to have been born in.

Definition of a ‘de facto partner’
This definition will become the standard definition for most Commonwealth laws.

This definition will provide a more consistent and uniform approach to defining who is a de facto partner across a range of Commonwealth laws.

It will apply to de facto partnerships whether the parties to the relationship are of the same sex or different sexes.

This definition of de facto partner will recognise two different types of relationships.

The couple will be taken to be in a de facto relationship if they have a relationship as a couple living together on a genuine domestic basis having regard to a number of circumstances included within the definition.

Registered relationships
The definition will also clearly recognise registered relationships, or relationships that have been registered under prescribed State and Territory relationship registration schemes.

What this will mean is that couples who have registered their relationships under a State or Territory law will not have to demonstrate the circumstances to satisfy the definition of de facto partner under most Commonwealth laws.

They will be taken to be a de facto partner on the basis that they have satisfied the requirements for registration under the relevant State or Territory law.

This will provide a significant incentive for couples to register their relationships under State or Territory schemes.

They can be confident that registration of their relationship under a State or Territory scheme will, for most purposes, be recognised automatically by the Commonwealth.

It is also an incentive to States and Territories that do not have such schemes to develop their own.

Acts that take a different approach
This definition in the Acts Interpretation Act will not be used in all the Acts being amended by the bill.

Some Acts, such as the Social Security Act and the Migration Act and the Veterans' Entitlements Act, currently have their own approach to defin-
ing who is a member of a couple or a de facto partner or a child of a person.

Given the specific issues that are dealt with by these Acts, a slightly different approach to the definition of de facto partner or child is adopted.

The factors are generally similar but they do not refer to the new definition of de facto partner to be inserted in the Acts Interpretation Act.

In relation to these Acts, the bill amends the relevant provisions to ensure that same-sex couples and their families are recognised.

**Interdependency**

The bill does not recognise interdependent relationships.

Recognising interdependent relationships raises many complex issues.

These relationships can be difficult to define.

There is no consistency in how they are defined or applied across Commonwealth laws or programs.

And there is also a lack of reliable data on the likely numbers of relationships—which makes it difficult to calculate the financial implications of any recognition.

Interdependency can include a wide range of relationships from flatmates to adult children living at home to siblings who care for one another and who are emotionally and financially dependent on each other.

Recognising interdependent relationships may not be appropriate in all situations. For example, in the social security or pension context it could mean that two sisters who live together would be treated as a couple and receive a lower amount in pension because of their interdependent relationship.

While the position of some interdependent relationships (such as carers) may need to be closely considered by Government—this bill (which seeks to remove discrimination against same-sex couples and their families) is not the vehicle to address those concerns.

**Marriage and marital status discrimination**

This bill also removes some laws that treat people in the same circumstances differently depending on whether they are married or not.

For example, at the moment an opposite-sex de facto partner of a Member of Parliament is not recognised for the purposes of the Members of Parliament (Life Gold Pass) Act.

Nor is the opposite-sex de facto partner considered the associate of a person for the purposes of the Foreign Acquisitions and Takeovers Act.

It seems incredible that for almost 24 years it has been unlawful to discriminate against a person on the basis that they are or are not married.

And yet Commonwealth laws still exist that only provide a benefit to a person on the basis that they are married to another person while a person who is in exactly the same situation but not married would be denied that benefit.

The bill addresses these areas by recognising both opposite-sex couples and same-sex de facto couples.

**Step-children, step-parents, widowers**

Another area of marital status discrimination is in relation to step-children, step-parents, widowers and widows.

Currently, the ordinary meaning of these terms requires that a person be married.

This problem must be addressed if we are to remove discrimination as children in same-sex families would never qualify as step-children because same-sex couples cannot marry their partners.

The problem not only affects same-sex de facto couples but also affects opposite-sex couples.

The bill expands the definitions of ‘step-child’ and ‘step-parent’ to include a child of an opposite-sex or same-sex de facto partner by a former relationship and to include a same-sex or opposite-sex de facto partner of a parent of a child by a former relationship.

Another example of marital status discrimination is where entitlements are payable only to a ‘widow’ or ‘widower’.

Again, the ordinary meaning of these terms requires a person to have been married to another person.

Without amendment a de facto partner (whether of the same or different sex) would not be entitled
to the benefit as they were never married to that person.

The bill’s general approach to these issues is to replace the terms by referring to a surviving spouse or de facto partner.

**Tracing rule**

The bill also introduces a tracing rule to identify family relationships.

Where family relationships such as ‘brother’, ‘aunt’, and ‘grandparents’ are provided for in an Act, the tracing rule will allow relationships referred to in the Act to include relationships that are traced through the child-parent relationship.

This will ensure that family relationships will be recognised in same-sex couple families in the same way as they are recognised in opposite-sex couple families.

**Transitional issues**

For some of the Acts amended by the bill transitional, saving and application provisions have been drafted to ensure the smooth implementation of the amendments.

A provision has also been added to the bill allowing the Governor-General to make regulations prescribing matters of a transitional nature (including prescribing any saving or application provisions) relating to amendments and repeals made by the bill.

Most of the amendments will commence the day after the bill receives the Royal Assent.

Other amendments have a delayed commencement date.

This will provide time for agencies to train their staff or to amend forms or procedures.

Delayed commencement will also allow time for individuals who may be affected by the changes to adjust.

All of the amendments are expected to come into effect by the middle of 2009.

**Diminishing Marriage**

It is unfortunate that this debate sometimes gets sidetracked into a debate about undermining the important position of marriage in our community.

Removing discrimination against same-sex couples does not undermine marriage.

The issue of same-sex marriage is a separate issue from that of providing equal recognition for same-sex couples and their families.

The Rudd Government’s policy on marriage is very clear.

It reflects the widely held view in the community that marriage is between a man and a woman.

This in turn reflects the traditional view of marriage that has been built over many centuries.

**Conclusion**

Removing discrimination is about making sure that same-sex couples and their families are recognised for all practical purposes and have the same entitlements as opposite-sex de facto couples.

The bill provides equality of treatment for children who are brought up in same sex families in many Commonwealth programs and laws.

It provides functional recognition of these families in a way which will make a real practical difference to their lives as well as removing discrimination.

It is time to stop treating people differently under Commonwealth laws or programs because of who they love.

It is also time to stop treating children differently under Commonwealth laws or programs because of the sexual orientation of their parents.

This bill is long overdue and will remove discrimination to ensure that same-sex couples and their children will be able to receive the same treatment as opposite-sex de facto couples and their children in the same circumstances.

It represents a major step to ensuring full equality before the law for all Australians, regardless of their sexuality.

I commend the bill to the Senate.

Ordered that further consideration of this bill be adjourned to the first day of the next period of sittings, in accordance with standing order 111.
AUSLINK (NATIONAL LAND TRANSPORT) AMENDMENT BILL 2008

First Reading

Bill received from the House of Representatives.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.34 pm)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.35 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

AUSLINK (NATIONAL LAND TRANSPORT) AMENDMENT BILL 2008

The Bill that the Government is introducing today demonstrates our ongoing commitment to road safety and local road infrastructure.

The Bill amends the definition of a road so that it includes heavy vehicle facilities such as rest stops, parking bays, decoupling facilities and electronic monitoring systems.

This will enable the Government to provide funding for these facilities under our $70 million Heavy Vehicle Safety and Productivity Package.

Funding for the Package is contingent on the passage of the enabling legislation for the 2007 Heavy Vehicle Charges Determination, which was unanimously endorsed by the Australian Transport Council of Commonwealth, State and Territory transport ministers in February this year.

That legislation would ensure that the heavy vehicle industry pays its fair share of the infrastructure costs incurred by Governments for building and maintaining the roads that they drive on.

This legislation has been blocked by the Coalition in the Senate, even though the Determination and policy was proposed by the former government.

In a speech given on 28 June 2007 entitled The Coalition Government’s Transport Reform Agenda the then Federal Transport Minister and Leader of the Nationals said:

The National Transport Commission will develop a new heavy vehicle charges determination to be implemented from 1 July 2008.

The new determination will aim to recover the heavy vehicles’ allocated infrastructure costs in total and will also aim to remove cross-subsidisation across heavy vehicle classes.

One in five road deaths involve heavy vehicles, with speed and fatigue being significant contributing factors. In 2007, there were over 200 road deaths in Australia involving heavy vehicles.

I have been consulting with the States and Territories and stakeholders such as the Australian Trucking Association, Australian Livestock Transporters Association and NatRoads to identify the most urgently needed works.

The facilities that will be delivered under the Heavy Vehicle Safety and Productivity Package will improve road safety and provide a better deal for truckies.

I would encourage the Coalition to support this Bill and the 2007 Heavy Vehicle Charges Determination legislation to enable upgrades to be rolled out as soon as possible after 1 January 2009.

This Bill also extends the Roads to Recovery program. Under the current Act, it will end on 30 June 2009. This Bill will continue the program until 30 June 2014.

The Roads to Recovery Program provides much needed funding to local councils around Australia so they can make urgent repairs and upgrades to their roads.

Local governments are responsible for more than three quarters of all Australian roads – over 810 000 kms.
The continuation of this program means that local government can confidently plan for the continued improvements of their road network. This amendment supports the Government’s commitment to increase our investment under the Roads to Recovery Program over the next five years. We will increase the allocation from $300 million per year to $350 million per year.

This means that over the next five years, we will provide $1.75 billion directly to councils to fix local transport issues.

The Bill also makes amendments to clarify that Roads to Recovery funds can be allocated to a particular State while the most appropriate entity to finally receive the allocation is determined. This will allow funds to be preserved while, for example, arrangements can be put in place to provide funds for roads in unincorporated areas where there is no local council, or to provide bridges and access roads in remote areas.

Finally, for technical reasons, the Bill removes the exemption from the sunsetting provisions of the Legislative Instruments Act to prevent an Auslink Roads to Recovery List, for a period long gone, remaining on the statute books indefinitely.

Full details of the measures in this Bill are contained in the explanatory memorandum.

Debate (on motion by Senator McLucas) adjourned.

BUSINESS

Rearrangement

Senator McLucas (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.35 pm)—I move:

That government business order of the day no. 3, the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and related bills, be postponed till a later hour.

Senator ABETZ (Tasmania) (5.35 pm)—Has the opposition been notified of this proposed change of arrangements? It looks as though the duty minister and whip over here have been caught somewhat by surprise by this change and I just happen to be in the chamber so I thought I would raise the issue.

Senator McLucas (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.36 pm)—Through you, Mr Acting Deputy President, in answer to your question, Senator Abetz, I am advised that your whip’s office was notified of the change of proceedings this afternoon.

Senator ABETZ (Tasmania) (5.36 pm)—A message has now come through indicating that we had been notified but the message had not come into the chamber.

Question agreed to.

(Quorum formed)

TAX LAWS AMENDMENT (MEDICARE LEVY SURCHARGE THRESHOLDS) BILL 2008

Second Reading

Debate resumed from 15 September, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (5.38 pm)—I thank all senators who have made a contribution in the debate. The Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008 will deliver relief to families struggling with household budgets. The Medicare levy surcharge tax was meant to apply to high income earners but it now slugs working families earning less than average wages. We are determined to deliver this relief and we are determined to pass our budget and protect the budget surplus. There has been some opposition to this measure. We have listened to what has been said and we have consulted extensively. Liberal Senator Colbeck said:

If they are talking about indexation, and that is the intent of the government, then indexation of this measure would have put the threshold at about $75,000 or $76,000.
And this from Western Australian Liberal Senator Cormann, who is now the shadow parliamentary secretary for health:

... would it be more appropriate, instead of doubling it and probably overshooting the mark, to look at what the figure would be if it had been indexed? I am talking about approximately $75,000 per annum.

The Australian Private Hospitals Association recommended thresholds of $76,000 and $152,000, indexed thereafter. Access Economics, in a report for the AMA, said that thresholds of $70,000 and $140,000 ‘would have restored the system to previous real levels, if this was the goal’. Terry Barnes, the former senior adviser to health minister Tony Abbott, suggested that $80,000 and $160,000 would be appropriate.

Having consulted and having listened we are prepared to offer a compromise. That is why we are proposing new thresholds of $75,000 for singles and retaining our original proposal for a couple’s threshold of $150,000. This measure will deliver immediate tax relief to 330,000 Australians—a significant number. It will give working families a much needed break. Just as importantly, the thresholds will be indexed every year to reflect wages growth. This will ensure that it will remain relevant into the future rather than ever threatening to become the tax trap that the previous government thresholds had created.

There has been a lot of talk of late about a bipartisan approach to economic responsibility. If the opposition truly wants to pursue a bipartisan approach to economic responsibility, then this is their chance. This measure will deliver relief to working families. It will protect the budget surplus. The Liberals have a chance to support this measure in this place and I very much hope they take it.

Question put:

That this bill be now read a second time.
The proposed amendments to this bill set out the relevant formulae and methodology to allow the calculation of the condensate price for excise purposes. The government has estimated that the effect of these amendments will raise an additional $2.5 billion from the North West Shelf venture alone over the next four years and continue thereafter to raise an additional $625 million each year from the joint venture for the life of the North West Shelf project.

This $2.5 billion tax grab from the North West Shelf project is a blatant repudiation of the 1977 decision when the then Liberal Treasurer, the Hon. Phillip Lynch, announced in his budget speech that condensate marketed separately from crude oil should be exempt from excise. There was a reason for this decision and it was not taken lightly. This decision was designed to encourage new exploration of oil and gas and to ensure that it was economically viable to recover a greater volume of our oil and gas reserves. Had we not had this decision, these reserves would have been uneconomical to recover and left in the ground—hardly good news for the state of Western Australia.

But in its increasingly arrogant style—and one which has become a hallmark of the Rudd Labor government—it failed to consult industry and it failed to consult other affected parties on this tax grab. But worse than that, it failed to research the adverse financial burden that will be imposed on the people of Western Australia—not anybody else—as a consequence of higher energy prices. Confirmation of the Rudd government’s arrogance is found in the August 2008 Senate Standing Committee on Economics report on the two bills currently before the Senate. On page 33 it is noted:

No discussions took place between Treasury and the North West Shelf venture to discuss the implications of the change.
Clearly, this tax grab was more important to this high-spending, high-taxing government than consulting and researching the actual impact of the decision on the oil and gas industry and on the people of my state. Another example of the arrogance of the Rudd Labor government is again set out in the Senate committee report on page 33 in the following terms:

... the measure had been drafted by the Department of Treasury without any reference to the relevant expert department, the Department of Resources, Energy and Tourism.

That is the absolute height of arrogance from a government. It even failed to consult with its own departmental experts. The effect of the failure of the Rudd government to adequately consult relevant parties has caused the resources industry to raise the issue of sovereign risk in Australia as it applies to this industry. This tax grab has shaken industry and raises the obvious question: whether the Rudd Labor government can be trusted in its dealings with the resources industry.

I note that in an article published in the *Age* on Thursday, 15 May 2008 on page 6, relations between the government and Woodside petroleum were said to be at a new low. The article stated in part:

Relations between the Federal Government and Woodside’s feisty chief executive Don Voelte have sunk to a new low following the budget decision to rake in billions of dollars from the Woodside-managed North West Shelf joint venture by introducing an excise on condensate... output.

Dubbed the ‘Voelte tax’ or ‘Woodside tax’ by industry watchers, the surprise tax change will boost government revenues by $2.5 billion over the next four years although its impact is much greater when reviewed against the 20 years-plus life of the project, Australia’s biggest single resources development.

The article, when referring to Mr Voelte’s comments, said:

This is not a loophole which is being closed, or a free ride which has come to an end. This is a negotiated fiscal arrangement which formed the basis of Australia’s largest resources development.

It is obvious that the Rudd government has failed to recognise and understand that continued investment in Australia by the resources industry relies on confidence being maintained by global industry and global investment institutions in Australia being a safe, stable and reliable place to invest.

When global industry and global investment institutions are making a decision on whether or not to invest billions of dollars in a resource project in Western Australia, they look to certainty in the arrangements and agreements they negotiate. They do not want to be dudged somewhere down the track. Clearly, they resent the ground rules being changed at the whim of an envious government and will take such actions into account when considering further investment.

The issue of sovereign risk was raised in an article published in the *West Australian* newspaper on Wednesday, 16 July 2008 on page 6 under a banner headline ‘Condensate Tax Slug on North West Shelf a Third World Decision’. The article states:

The Rudd Government’s move to slug WA’s multi-billion-dollar North-West Shelf gas project with a $2.5 billion condensate tax will damage Australia’s sovereign risk to such a point that investors will put the country—that is, Australia—in the same league as Third World nations, the petroleum industry warned yesterday.

The article goes on to say:

Two of the project’s partners, Woodside Petroleum and BHP Billiton, and the Australian Petroleum Production and Exploration Association have attacked the Government’s surprise budget decision, accusing the Rudd Government of an ill-thought out and uneducated move that could...
seriously threaten future investment in Australia and—

worse than that—

send the cost of domestic gas soaring.

In failing to properly research the actual impact and burden of this $2.5 billion tax grab, the government has also betrayed the people of Western Australia by not recognising—and this is what happens when you do not consult properly—that the imposition of this tax will now form part of the cost structure of the North West Shelf Venture and will be passed on to consumers of the product—that is, Western Australians. There is a reason for this—that is, we in Western Australia get about 65 per cent of our gas supply in the domestic market from Woodside, and it is consumers of this product who will bear the brunt of this tax grab. Mr Rudd, on behalf of Western Australians, thank you very much!

The government has been warned by some of the venture partners that this tax heist will have to be passed on to consumers, and yet when questioned about this in the parliament the government equivocates on the issue of price increases and is in a state of denial, with its feeble attempts to answer questions relating to consumers of North West Shelf Venture domestic gas having to pay increased prices due to this discriminatory tax grab. Having read the Senate Standing Committee on Economics report and statements of some of the venture partners, I am at a loss to understand the basis of the government’s assertion that the $2.5 billion tax grab from Woodside and other venture partners will not be passed on to gas consumers. The government is in denial. To try to sustain its tenuous position and hide from the fact that consumers in Western Australia will have to pay higher prices for domestic gas sourced from the North West Shelf Venture, the government seeks refuge in quoting, in my view, out of context a few words stated by Mr Voelte when he gave evidence before the Standing Committee on Economics in Perth on 11 August 2008. Mr Voelte said:

What I can say is that our current domestic contracts are in place and will be honoured.

In my view, the words are clear and unambiguous. They confirm in simple, legal terms the position of the venture partners in respect of current domestic contracts. It is clear from Mr Voelte’s statement that the venture partners are bound by some terms of the existing contracts. Quite properly the venture partners have acknowledged that they will honour their current legal obligations. It is self-evident that a failure to do so could attract legal redress. However, nowhere in the evidence given before the committee can the government point to the venture partners stating that they will not exercise their undoubtedly commercial right to pass the burden of this sneaky Labor tax grab onto consumers as new contracts are negotiated or current contracts renegotiated.

This tax grab destroys the credibility of the Rudd government and shows that they are not trustworthy, given that they broke a 30-year, time-honoured agreement on the exemption of excise of condensate produced from the venture project. The bad news for consumers of the state of Western Australia is that they are the ones who are going to have to bear the brunt of Labor’s tax grab, because we are the only state that relies on the North West Shelf Venture partners for the majority of our domestic gas supply. It seems to me that the burden of this tax grab, which the government claims is in the national interest, will discriminate against WA householders as they are the only ones who will be hit with increased gas prices. Because in WA we use a large volume of gas to generate electricity, this tax will cause the price of electricity to industry and to householders to rise. And let us not forget that WA is already paying the price for the abysmal misman-
agement by the former Labor government of the state’s south-west interconnected electricity system, which relies heavily on the North West Shelf Venture gas as an energy source.

Only recently Frontier Economics, in a confidential draft report commissioned by the WA Office of Energy, entitled *Electricity retail market review: electricity tariffs*, dated April 2008, advised that the A1 tariff—that is, the electricity tariff for small users—would need to rise in 2009-10 by 38.05 per cent and in 2010-11 by 17.19 per cent, excluding the tariff equalisation contribution. If the tariff equalisation contribution is included, then the A1 tariff will have to rise by a huge 47.48 per cent in 2009-10 and 15.31 per cent in 2010-11. These are the projected prices for electricity before we have to add in the additional electricity price rises which will occur as a result of the $2.5 billion tax grab. What do you think the average Western Australian is going to say about that? Better than that, what do you think the pensioners, who are also going to experience an increase in their domestic gas price, are going to say about that?

Did the government Treasury officials take these potential tariff hikes into account before embarking on this $2.5 billion tax grab? The answer has to be no, because there is clear evidence that the government failed to research the actual economic impact on consumers, and in particular householders in Western Australia, of the financial burden that will flow from this tax grab. The government has failed to recognise that the impact of this tax grab will not only feed but fuel inflation. This tax grab confirms yet again that the Rudd Labor government is heading down the familiar Labor path, and we have all seen this path before, of a high-taxing, high-spending government. The inflation figures since this government came to office prove this point.

There are a number of other issues that need to be considered regarding the potential impacts of these bills. They include the removal of the excise eroding what are already thin margins for the domestic gas market. The removal of the excise will be a disincentive for venture partners to sell gas into the domestic market as the domestic margins are so low that it will quite simply be better to deal in LNG. As to the claims that Woodside is a cash cow with record profits, whilst Woodside may record record profits, the $12 billion-plus Pluto LNG project alone sees Woodside reinvest straight back into Western Australia, and reinvestment back into Western Australia provides benefits for the national economy.

This tax grab is all about the politics of envy and it will increase the price of domestic gas in Western Australia. Increased gas prices and increased electricity prices will hurt Western Australians. Not only that, it will hurt in particular the pensioners. This tax grab shows that the Rudd Labor government is not to be trusted and has forgotten the people of Western Australia. More importantly, take note of the recent election result in Western Australia. Labor has been kicked out of office due to its arrogance and its failure to listen to and stand up for the interests of Western Australians. This should be a clear warning to Mr Rudd and federal Labor, whose own failings in Western Australia were a contributing factor to the election loss.

**Senator CAMERON** (New South Wales) (6.10 pm)—I rise to speak in favour of these bills, the *Excise Legislation Amendment (Condensate)* Bill 2008 and a cognate bill. I just find the hyperbole from Senator Cash quite amazing. For her to talk about arrogance and lack of consultation on behalf of the Labor Party after the record of the Liberal government for 11½ years is quite breathtaking. To talk about trust and to talk
about an election is also quite breathtaking. The Australian public have put their trust in the Australian Labor Party to run this country for the next three years. These bills are an important component, a key component, of the government’s 2008-09 fiscal position.

The North West Shelf Venture is Australia’s largest resource infrastructure development. It has involved $25 billion in capital expenditure over the last 30 years, and more than $10 billion is being committed or is under consideration. The North West Shelf Venture comprises wholly owned subsidiaries of some of the biggest resource and energy companies in the world: BP, Chevron Corporation, Shell, BHP Petroleum, Mitsui and Mitsubishi, and Woodside Energy operate the project. The North West Shelf gas and oil fields are a natural resource asset of unparalleled riches in Australia’s resource-rich history. The oil and gas resources of the North West Shelf are not private property; it is an asset owned by all Australians, and the wealth it generates should be shared between the venture partners, those who invest in the recovery of the resource and the Australian people. While the energy resource in the North West Shelf project is quite vast, it is not infinite. It is a non-renewable resource and it is in the national interest that the Australian community receive a fair share of the wealth that this project generates.

These bills see a return to the Australian people of $2.5 billion over the forward estimates to the period 2011-12. The bills end the exemption from the crude oil excise regime granted to condensate produced in the North West Shelf production area. Those exemptions were granted by the Fraser government in 1977, so they have had a favourable position since 1977. The exemption was intended to encourage the development of the liquefied natural gas industry in the North West Shelf and thus can be seen as a form of infant industry assistance. Times have changed since 1977 and it is time that a tax anomaly that has grown with the continuation of the exemption from the excise of condensate produced on the North West Shelf is brought to an end. The excise exemption under current circumstances distorts the excise regime on liquid transport fuels. At a time when the government is expected to maintain the integrity of the budget, it is essential that we remove tax anomalies and distortions. Condensate is a form of light crude oil and it is put mainly to the same purpose as other forms of crude oil: the production of petrol. It is a product in every major respect, apart from its origins, identical to other forms of crude oil, yet it is excise exempt. When condensate from the North West Shelf is co-mingled with other forms of crude oil, it is subject to excise. These commodities should be taxed consistently.

The LNG industry in the North West Shelf project area is now mature. It is highly profitable and oil prices are at or near record highs and will remain there. Over the last five years, production in the North West Shelf project area has returned record profits to the venture partners. The excise exemption has served its purpose. It is time to move on and develop modern incentives to assist the development of new projects rather than persist with a crude subsidy in the form of excise exemptions for mature and highly profitable projects. Just how profitable the North West Shelf project area is can be gauged by the profits made by the operator, Woodside Petroleum. Woodside recorded a record year in 2006. Net profits after tax were $1.472 billion, up 29 per cent from 2005. Revenue was $3.81 billion, up 39 per cent. Net operating cash flow was $2.349 billion, up 37 per cent. However, 2007 was not quite as good: net profits were $1.03 billion and revenue was $4.004 billion, up five per cent.
On 27 August this year, after the economics committee concluded its inquiry into these bills, Woodside announced its results for the half year to 30 June 2008. They are astonishing. Revenue was $2.574 billion, up 45 per cent on the first half of 2007. Reported net profit after tax and significant items was $1.016 billion, up 67 per cent on the first half of 2007. Interim dividend was 80c per share, up 63 per cent on the first half of 2007. Earnings per share were up 62 per cent on the first half of 2007.

Oil and gas companies around the world—ExxonMobil, Shell, BP, Chevron—are all making previously unimaginable profits in a climate of constrained oil supply and record or near-record high prices. The industry spent a lot of time in the Senate economics committee inquiry arguing that their profits are substantially offset by increased costs. Their contentions are just not supported by the results. In Woodside’s recent half-yearly director’s report to shareholders, there is no mention of the threats to profitability posed by increased costs. Rather, the report focuses on the likelihood of increasing exploration, increasing capital expenditure, increasing production and a very, very rosy outlook for profits. It is all good news for Woodside Petroleum.

Given that Woodside’s half-yearly report was released nearly 3½ months after these bills were introduced into parliament, one might expect that the removal of the excise exemption would be mentioned in the director’s report, especially if it was going to produce the nonsense that we have heard about what is going to happen to Woodside from the other side of this house. We have a feisty managing director in Don Voelte, but did Don Voelte say that this was going to destroy the company? No, he did not. Did Don Voelte say it would reduce investment? No, he did not. Did Woodside tell the Senate committee one thing and shareholders another? We have to ask ourselves that question, because what was told to the Senate committee is not what was being told to the shareholders. Perhaps the position of Woodside is that which is forecast by independent analysts. Dr Richard Griffiths put in his submission to the committee:

In a situation of steeply rising petroleum prices worldwide, it is unlikely that increased excise will do much to dampen the profitability of oil and gas production.

If senators care to check the profitability of all the North West Shelf Venture partners, they will find that they are in a similar position to Woodside. It is the role of government to pass new laws and change regulation in response to changed circumstances. The circumstances that prevailed in 1977 at the time of the excise exemption for condensate from this project have long since passed.

The argument that there is now some sovereign risk to these major international companies and their operation in Australia is a nonsense. A great deal was made during the course of the committee inquiry into these bills raising this very perception—that there was a sovereign risk to investment in Australia. Sovereign risk is an important element in investment decisions. Political instability, capricious and selective government decision making, oppressive use of state power and other elements of sovereign risk all add up to an environment that discourages investment. But to suggest that these bills create a climate of sovereign risk is absolutely ludicrous.

Australia is a free and democratic country. It observes a constitutional separation of powers. It has predominantly transparent decision- and policy-making processes and it has a very, very responsible federal government. Australia ranks about 21st amongst the natural-gas-producing nations of the world. It would rank at or near the bottom of those
countries representing sovereign risk. Look at some of the countries who are producing gas and tell me whether Australia is a bigger sovereign risk than these countries for investment: Russia, the No. 1 producer; Iran, No. 4; Algeria, No. 5; Turkmenistan, No. 9; and Indonesia, No. 10. Is Australia a bigger sovereign risk than these countries? Nobody in their right mind would come here and argue that proposition. Ahead of Australia in gas production are Saudi Arabia, Uzbekistan, Malaysia, China, United Arab Emirates, Qatar, Argentina, Mexico, Egypt, and Trinidad and Tobago. Anyone who would argue that any of these countries represent less sovereign risk than Australia, or anything even comparable to Australia, is not on this planet.

The other fear factor—the Liberal fear factor again—is that domestic gas prices will rise. Again, we have pensioners rolled out for some cheap political points by the opposition. Arguments have been raised that the removal of the condensate excise exemption will lead to higher domestic gas prices in Western Australia. This is plain wrong. According to the proponents of these arguments, domestic gas prices will rise because the removal of the excise exemption will lead to increased administration costs and that these will be passed on to domestic gas consumers. These costs were never quantified by any submitter or any witness to the inquiry. They remain intangible; they remain unknown; they remain this great enigma. The real position, as put to the committee by Treasury, is the following:

Liquid petroleum gas, which is one form of gas that is used—

in Western Australia

… is priced in WA by reference to a world price for liquid petroleum gas—as it is in the rest of Australia. In the case of natural gas supplied to small use customers in Western Australia that is subject to regulation by the Western Australian government under the energy coordination gas tariff regulations

If there is something the other side knows about the new Western Australian government and what they are going to do to gas prices in Western Australia, let them be up-front and put it out here today. There is no argument for any increase to any part of the community because of this government proposal.

Rather than assisting mature and profitable projects, it is time to reassess the incentives government can provide to encourage new projects. Taxation regimes need to change over time to account for changes in economic conditions. The overall taxation regime facing the gas industry will be considered by the Henry review, and these bills create a level playing field ahead of the Henry review. These bills do not create a climate of sovereign risk. I would put my money on Australia ahead of Turkmenistan any day. The industry is liable to pay excise on extraction of a non-renewable resource that should benefit all Australians, and the industry has the capacity to pay. That is the reality.

There is bound to be opposition from anyone who is about to be taxed on something they have previously enjoyed tax free or at concessional rates. That is what this debate is about. The debate is as old as civilisation, with big business saying, ‘We don’t want to pay any more tax.’ It is about the Liberal Party supporting big business over the needs of the community and the real needs and long-term needs of pensioners in this country. The only really strong argument against these bills is that no-one likes to pay tax. I noticed that Senator Abetz in the economics committee said that no-one should pay any tax. I do not know what economic school that comes from, but it is not the economic school of reasonable approaches and economic fairness and equity. No-one in this
place would retain any shred of respectability if they argued anything other than that it is a fair and reasonable position to adopt in the interests of this country, in the interests of the nation and in the interests of the community.

If you accept an argument that you can never change the taxation system on a company that has received special consideration from the state from 1977 until then now we are in real trouble. Woodside Petroleum and these giant oil companies that are making massive profits out of our resources can afford to pay fair and reasonable tax to this country to allow this government to meet its budget requirements and to shield this country from the crisis that is happening elsewhere in relation to the international economy.

It is an absolute nonsense to come here and argue on behalf of these major international oil companies at the same time that you are arguing against tax relief for ordinary Australians on the Medicare levy. That is just a nonsense. It typifies what the other side have been about since I have been here. It is about looking after the big end of town. Nothing shows this more than their opposition to a bill that says, 'Make those massive companies who are making superprofits pay reasonable tax, the same as other oil companies, in the interests of the community.' How can you come here with a straight face and argue against that on the basis that you are looking after the community? What you want to do on the other side is look after the Lamborghini drivers, look after the Maserati drivers, look after the big end of town. You do not really care about the need to ensure our hospitals are well financed, our education system is looked after and ordinary Australians get a fair go.

These are national resources. They should be taxed in the national interest. We are simply saying bring the taxation on this company into line with the taxation on other oil companies and make sure that they pay their fair share so that we are in a position to make sure that we have a budget that is providing the surplus that shields us from the worst aspects of the international crisis. There is no reasonable argument against this bill. The arguments we have heard are arguments for the big end of town against ordinary Australians, and it is not good enough. (Time expired)

Senator MILNE (Tasmania) (6.30 pm)—I rise tonight to support the proposed end to the exemption on the tax on condensate and to say that I am very pleased that the free ride has come to an end, because that is what this has been for a very long time—a free ride for this industry. Before I hear any more people telling us how hard it is going to be for Woodside and for the other multinationals on the North West Shelf, I would like to remind the House that on 28 August this year Mr Voelte, the CEO of Woodside, announced a record half-year profit of $1 billion. Then we hear, 'Oh dear, the industry cannot pay its taxes.' What is more, we hear that the industry is doing it so tough that it is going to have to pass on the additional costs to householders, except that what claim by Mr Voelte was contradicted in evidence to the Senate Standing Committee on Economics by the chief executive of the North West Shelf Venture, Eve Howell. Asked whether the tax rise would be passed on, she said:

What I can say is that our current domestic contracts are in place and will be honoured.

And on and on it goes. This is an argument about equity. I could not agree more with Senator Cameron, and I note with interest the remarks by Senator Cash earlier in relation to Western Australia’s pensioners. I want to talk about Western Australia’s pensioners and the nation’s pensioners. I want to talk about Western Australia’s public schools and the
nation’s public schools. I want to talk about health funding around the country—in Western Australia and everywhere else.

I would like an answer from the coalition to the question I put to them last night in relation to the luxury car tax. If you oppose the imposition of taxes, where are you going to get the money for the $30 rise in the pension? Where is that money going to come from? I did not get an answer from the coalition last night. I asked them: do you intend to spend the surplus? Is that what your intent is? If so, let’s hear it. Let’s hear where the money is going to come from, as they are big on wanting to deliver services and grandstanding on what might impact on pensioners.

The reality is that if a nation is to have the consolidated fund capacity to deliver services around the country the money has to come from somewhere, and the money ought to be coming from those who can afford to pay, especially when those who are making megaprofits are doing it from the nation’s resource. It is not a privately owned resource. These are global commons we are talking about here, and in this context they are Australian commons. These companies have been given the privilege to exploit part of Australia’s wealth and, in return, they ought to return an appropriate amount of revenue to the public purse so that we can deliver services which make us proud as a nation, which give our young people the opportunity to meet their full potential, which address the issues in Indigenous communities, which provide health care in rural and regional Australia and which will allow us to roll out public transport around the country. It is not as if we do not have an arms-length list of all the services that we need to deliver. Yet we hear from Mr Voelte that, in spite of the fact that they made a record half-year $1 billion profit, the company cannot afford to pay. On the contrary, this company can afford to pay and the other multinationals up there can afford to pay as well.

It is absolutely laughable to think that we are still giving this subsidy. It was given in the first place as a form of infant industry assistance and that status has long gone. How ridiculous to imagine that a subsidy you got for industry development should still apply to a company which can announce a record $1 billion half-year profit. The point is that when you give subsidies like this you take away from others. We should be making the transition to the low-carbon economy. In that transition to a low-carbon economy, those companies, especially those that are exporting natural gas, are the ones who are going to make megaprofits in the short term, because it will be seen as a transitional fuel. I would argue that we need to be rapidly moving to the renewables. Nevertheless, there is no scenario in which Woodside could convince anybody that their future prospects are for anything other than having absolutely golden dollars rushing in for them. There is no other way that you could look at it.

On the other hand, those renewable energy companies which do need the infant industry assistance now are told they cannot have it because we would prefer to continue to subsidise those making multibillion-dollar profits. How ridiculous is that? We are seeing some of our best innovators go overseas because we apparently cannot afford to commercialise solar energy. Companies they are going off to Germany for example. Solar Heat and Power have gone to California. We are told there is tremendous potential in wave power and in geothermal. We know that we have got the potential to go there. These are the infant industries that need the same kind of assistance that was being talked about 31 years ago for the LNG industry, which was the whole purpose of this subsidy in the first place. I am a supporter of developing and bringing on Australian innovation.
and commercialising it here to the public benefit. But if you are going to do that you have to have an industry policy which phases out that assistance and brings it on for other things that are coming on line.

That is why, for example, I am a strong supporter of a national gross feed-in tariff for renewable energy. I recognise that in the early stages you have to provide a framework which will enable people to take up the technology. But my bill, in terms of the feed-in tariff, allows the minister to set the tariff so that it can be changed over time to reflect the extent to which the various technologies become commercialised, are rolled out and are profitable, so that they do not continue to experience the same level of support over time. That is the most logical and rational industry policy. But, no, what we hear from the coalition is, ‘We must reduce company taxes, we must reduce income taxes, we must protect the wealthy from any luxury taxes at all and we must continue to subsidise the fossil fuel sector’, whilst at the same time saying, ‘We support small government. Let the market decide.’ It is interesting, isn’t it? We hear ‘let the market decide’ every time, until we hear that the subsidies might be taken away. If you took a very hardline economic view, you would take away all subsidies from these industries and say, ‘Let the market decide.’ But, no, when it comes to the privileges that these companies have had, to the detriment of the taxpayer and of the delivery of services, what do we get? We get; ‘Let’s keep the handout.’

What is even more disgraceful in the case of Woodside, in particular, is that, at the very same time that they are saying that they do not want to lose this free ride that they have been given over many years, they also want another free ride in terms of climate change. At exactly the same time as Mr Voeltje was out in the media saying how dastardly it was to take away this industry assistance program from his multibillion-dollar-profit company, he was also saying that, in climate change terms, Woodside should be exempted from any costs associated with carbon trading and, at the very least, be given free permits. I say: why? Why shouldn’t the fossil fuel industry pay in the manner in which they need to pay in order to get the transition to the low-carbon economy? The ideal scenario, actually, is to remove all subsidies from fossil fuels and shift those subsidies to those infant industries which need to be rolled out, which need to create the jobs in Australia and which will create the jobs in Australia but which are actually creating many more jobs overseas because we have not put in the enabling legislation here. We should be shifting those fossil fuel subsidies.

For the benefit of the Senate, I would like to refer to a report that was done that showed that the total energy and transport subsidies in Australia—this was in 2005-06—were between $9.3 billion and $10.1 billion. I will repeat those figures, because it is extraordinary that this community should be subsidising the fossil fuel industry in Australia to the extent of $9.3 billion to $10.1 billion. What would it do for the pension, for public schools, for public health or for a public transport system in Australia if we removed those subsidies from the fossil fuel producers? Why should we do it? Firstly, because of the climate imperative to move to a low-carbon economy and, secondly, because if we are going to respond to climate change then we have to be able to invest the money in those technologies which will get us into the future and out of the fossil fuel economy that we have.

We hear from the coalition, particularly the Western Australians, about how it would be a terrible thing to increase the resource tax—the rental, if you like—for a public resource; this is, as we said, the Australian commons. But I would just like to remind the
Senate that in the Western Australian election we had the Liberal Party in Western Australia saying that they were going to increase mining royalties. Can you believe that? That seems to be a little inconsistent here. You have the Liberal Party in Western Australia saying that they would be prepared to increase the mining royalties in that state—and good on them; so they should. In the middle of a commodities boom, when those companies have made so much money and are going to make even more—because we know about the global demand for commodities and for petroleum based products as the world responds to peak oil—the Western Australian Liberals had the good sense to say, ‘These companies are not paying enough for the public resource and should pay more,’ and good on them. What a pity that we do not have the same level of consistency with the national representation in this Senate from the Liberal Party from Western Australia as we clearly have from their state Liberal Party colleagues.

When the new Western Australian government takes on the treasury bench, it will be very interesting to see whether they think they have enough money for public health, public education and so on, because, interestingly, Western Australia will be compensated under this arrangement. If everybody is going to suffer so much in Western Australia because we get rid of this concession, how do you account for the fact that there is going to be money compensating Western Australia for loss of revenue in relation to this particular bill? I have not heard so much nonsense in a long, long time. Talk about fiscal irresponsibility!

I heard Senator Cameron say that Senator Abetz, for example, had said in the committee that no-one should pay any tax. I wonder what economic school that comes from. It is the Fannie Mae and Freddie Mac school of economics that the coalition are obviously graduates from. It is: take as much as you can, set up the most deregulated financial market that you can, get the government out of the way and maximise the profits. Then fall in a great big heap and take everyone else down with you and go to the President and say: ‘Let’s have some money to bail the country out of this mess. Let’s nationalise the mess that we’ve made.’ That was the solution, and that is the completely discredited economic world view of the old economic rationalist. If anyone here is old fashioned in terms of an economic analysis or an appropriate economic model, it is those who have argued for deregulation and small government. In terms of the level playing field, it is hypocritical to stand up arguing time and time again against the progressive technologies on the basis that they should stand on their own feet and not be subsidised and, at the same time, to spend between $9 billion and $10 billion on subsidies for the fossil fuel sector, which has never been making greater record profits than it is right now.

So I am pleased that the government has taken this on. I am pleased to be standing here for the Greens today supporting the getting rid of this exemption, which has no place in trying to get an equitable distribution of resources—an equitable regime whereby we tax those who are renting the public resource from us so that we have the money to invest in the services that this country needs and so that we have industry assistance money to assist genuine infant industries and take them to the next stage.

I am also pleased to be saying that we should be moving out of the fossil fuel subsidies. My only concern about the way the government might spend this revenue that we are getting through this change—in getting rid of this free ride, this subsidy—is that it may become a revolving door. I suspect that that is what is going to happen: that Woodside will be over here saying: ‘You’re
taking away that much money from us. We want the same amount of money back in terms of free permits under an emissions trading scheme, we want exemptions—as many as we can get—and we want as much money as you can pour in for carbon capture and storage or anything else we want to spend money on.’ Companies will expect the government to come back and, under the low emissions technology program, under the Prime Minister’s carbon capture and storage hub program, to have the money come in one side of the revolving door and go straight back out to the very same companies that the government is taking the money from.

I just want to put the government on notice here. There is an obligation to spend the revenue raised on the services that Australians want, need and deserve. If we are going to be a country which prides itself on the fair go—if we are going to be an egalitarian society—we need to raise revenue from those who can afford to pay in order to spend it on services so that everybody in Australia gets a fair go and everybody has decent health and education services. I am very interested in Senator Cash’s concern for the pensioners of Western Australia, so I particularly put to her: where is the coalition going to get the money from to increase the pension? I think it is a really important question if you are not prepared to raise revenue through taxation measures—through getting rid of a fossil fuel subsidy; a free ride that has gone on way too long.

There have been changes made to this subsidy over the years. One of the changes was meant to result in about $77 million and it ended up with a windfall gain of $1 billion. For all Mr Voelte’s talk, did he ever reduce the price of gas to the people of Western Australia when Woodside was making record profits? Did he go up there and say, ‘We no longer need to charge you so much because we are making so much’? Of course not. But now, of course, he wants to pass on to the pensioners of Western Australia the full costs that Woodside might incur. So if you are genuinely concerned about pensions, if you are genuinely concerned about public education and public health, then either support getting rid of this free ride to companies making multibillion dollar profits, or at least have the decency to tell this parliament where the money is going to come from.

You are not responsible in economic terms unless you are prepared to recognise that, for expenditure to occur, you must raise revenue. I would also be interested in the philosophical view of the coalition on what principles should underpin the raising of revenue. I have not heard that from the coalition at all. All I hear is that we should have lower company tax lower income tax and we should continue the subsidies to multibillion-profit-making firms. I have heard an occasional afterthought about pensions, schools or hospitals but it is really just a token gesture, because if you look at where the real money goes you find that the real money goes off to multinational companies owned outside of Australia, largely, with shareholders overseas raking off megaprofits to the detriment of our children, our frail aged and our communities.

Debate interrupted.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Age Pension

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (6.49 pm)—Senator Bernardi asked me a question regarding Treasury modelling today, and in my answer I referred to a report by NATSEM. In fact it was not NATSEM. Before they get upset with me I want to correct the record. In fact it was a report that I had seen which was from the Melbourne Institute—the Household, Income, and La-
bour Dynamics in Australia, or HILDA, survey—which showed comparatively that older Australians had done worse between 2001 and 2005 compared to other categories of Australian citizens. I just want to correct the record. I referred to it as a NATSEM report and it was not; it was a HILDA report. I apologise to the Senate and I apologise to NATSEM.

**DOCUMENTS**

The **ACTING DEPUTY PRESIDENT** (Senator Parry)—Order! It being 6.50 pm, the Senate will proceed to the consideration of government documents.

**Australian Research Council**

**Senator BARNETT** (Tasmania) (6.51 pm)—I move:

That the Senate take note of the document.

Tonight I would like to specifically commend the excellent work of the Australian Research Council and to highlight the importance of its mission in the strategic plan, which is to support excellence in research—building Australia’s research capacity, providing policy advice to government, conducting research evaluation and championing Australian research through promotion.

It is fair to say that government has a very important role to play in directing and funding research in Australia, but tonight I would like to speak a little more broadly about the importance of another excellent research organisation, the Clifford Craig Medical Research Trust, based in Launceston, my home town. The Clifford Craig Medical Research Trust was established in 1992 by the local community and remains a non-profit organisation, independent of government. The founding vision was to create a world-class medical research institution in Northern Tasmania. Today the trust is a vibrant organisation with an annual turnover of more than $1 million, has built a quality research centre at the Launceston General Hospital and has successfully funded 72 worthwhile medical research projects. Its continuing goal is:

… to facilitate and fund quality medical research in order to provide inquiry and improvement in health related issues of relevance to the hospitals and peoples of our community—particularly in Northern Tasmania but also for the benefit of the state and indeed the nation of Australia.

In terms of who the research trust is named after, Dr Clifford Craig was a surgeon, an administrator, a radiologist and a historian. He arrived in Launceston in April 1926 to take up his position with the Launceston General Hospital as Surgeon Superintendent. He was a graduate of Melbourne university. Dr Craig’s association with the Launceston General Hospital covered a period of some 35 years and, following his retirement, he accepted the position of Honorary Consultant Radiologist in addition to being a member of the board of management.

Senators might be interested to know that the immediate past president of the trust was Dr John Morris, a very highly regarded and outstanding citizen of Launceston and of Tasmania, and he is still on the board. He has also written an excellent publication highlighting the history of the research trust; it is very well regarded and he should be commended for that. The current president is Associate Professor Don McTaggart, and board members include Tom O’Meara, vice-chairman; Jill Dearing, secretary and treasurer; Geoff Arnott; and John Lord. Interestingly, Michael Ferguson is the current chief executive officer—of course, Michael Ferguson is the former federal Liberal member for Bass. He is doing a wonderful job leading that organisation as the administrator and as the CEO, and I congratulate him on his per-
formance in supporting medical research in Northern Tasmania and across the state.

One of my good friends, Dr George Razay, who I just recently met up with again, does good research for the trust and works at the LGH. He is specifically concerned with Alzheimer’s and dementia research. Some other projects they are doing at the moment relate to kidney disease research and oesophageal cancer research. They had an excellent five-kilometre walk to raise funds for the research trust just some weeks ago in the Heritage Park in Launceston.

The Friends of Clifford Craig Medical Research Trust also do a wonderful job in raising funds for this important research institution based in Launceston. They have a wonderful group of volunteers who put a huge amount of effort into raising funds for research, and just a short time ago I had the honour of attending a lunch they held where I spoke about my recent trip to Kokoda in Papua New Guinea.

It is an honour to be able to stand in this place to commend the Clifford Craig Medical Research Trust and emphasise the importance of medical research not only in Launceston in Tasmania but across the country. The strategic plan set out by the Australian Research Council in the document before us should be commended.

Question agreed to.

Consideration

General business orders of the day Nos 8 to 10 relating to government documents were called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Parry)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Workplace Relations

Senator FEENEY (Victoria) (6.56 pm)—I rise this evening to discuss the defunct Howard government’s discredited industrial relations laws which the Australian people so resoundingly and so magnificently rejected last November. As the Deputy Prime Minister and Minister for Employment and Workplace Relations outlined so eloquently in her address to the National Press Club last week, the Rudd government has a clear program to carry out its mandate to scrap the Howard government’s extreme and unfair industrial relations laws. I welcome that renewed commitment to bringing back fairness and balance to our industrial relations system. In the meantime, however, many of the Howard government’s discredited laws remain in place and continue to have adverse effects on the lives of Australian working families. Tonight I wish to talk about one particular piece of Howard era legislation, if I can characterise it as such, and that is the Independent Contractors Act 2006.

Recently, a case before the Federal Magistrates Court highlighted the problems that this act continues to cause not only for Australian workers but also, I might say, for Australian business—the supposed beneficiaries of the Howard government’s draconian laws. In the case, Keldote Pty Ltd and Ors v Riteway Transport Pty Ltd, three owner-drivers were seeking relief from their contractual relationship with Riteway Transport, a New South Wales based haulage company. These drivers are, in theory, independent contractors in the sense that they own their own trucks and are not direct employees of Riteway Transport, but they do not have individually negotiated, written, commercial contracts with Riteway either. Instead, they operate under a collective contract negotiated on their behalf by the Transport Workers Union of Australia.
Last year, Riteway decided to require these drivers to buy new and much more expensive vehicles and told them that their contractual relationship would be terminated if they did not comply. The drivers in turn said that they were not required to buy vehicles of the type set out by the company and, if the company did indeed require them to operate such vehicles, they expected to be paid more. The company refused this request, and the drivers then took Riteway to court. The Federal Magistrates Court found that Riteway’s requirement that the drivers buy vehicles considerably different from the ones they had already provided under the original contract was indeed unfair and ordered that the terms of the contract be changed to remove this unfairness. Any replacement vehicles, the court said, would have to have, as the decision states, ‘specifications reasonably equivalent to the vehicle to be replaced’.

This was, of course, a good outcome for the drivers and I congratulate them and the TWU, which is an excellent union that I once had the honour to work for, as indeed did Senator Conroy. I congratulate them on this success. But the real issue here is the treatment of these drivers as though they were independent business operators when in fact they are far more in the position of employees insofar as they clearly rely upon the Transport Workers Union of Australia to negotiate on their behalf with the relevant haulage companies. For these drivers to receive relief from the court, the Independent Contractors Act required them to prove to that court that the contract with Riteway was defective in the sense that the section allowing the company to require that the drivers buy a more expensive vehicle was unfair as that term is used in commercial law, not as that term is used in industrial law. Had the drivers not been able to prove that, they would have had no form of redress or relief.

In its submission the Transport Workers Union of Australia quite rightly pointed out that, had this case arisen before the Howard government had enacted the Independent Contractors Act, the Industrial Relations Commission of New South Wales would have examined Riteway’s conduct and would have been in a position to order a quick resolution. The effect of this act—and I speak of the Independent Contractors Act—and the intent of the act is to remove the protection available to owner-drivers under New South Wales law. The Independent Contractors Act deliberately removed the ability of owner-drivers to seek redress under state unfair contract laws. The act treats all contractors on a purely commercial basis regardless of whether they are an outworker, a deemed employee or an independent contractor. This has resulted in a loss of entitlements and protections and has encouraged employers to hire workers as independent contractors rather than employees. In place of the state jurisdictions it created a federal unfair contracts jurisdiction requiring contractors to seek redress in the Federal Magistrates Court.

As we might expect, the new federal provisions are much more limited than those in the states, particularly in the states of New South Wales and Victoria. The New South Wales system included important protections for owner-drivers, including that they were able to recover their costs and including enterprise-specific arrangements for owner-drivers. All of that has now been removed.

The TWU has called for the provisions of the Independent Contractors Act to be replaced by a system under which an independent umpire can determine what is fair in cases of this kind and assist the parties to come to a resolution without either side having to resort to costly, slow and unwieldy litigation. I would have thought that this would be welcomed by business, particularly
business in the transport industry, as well as by owner-drivers. The only people who benefit from that kind of costly and expensive litigation are lawyers. Since there are at least 800,000 independent contractors in the Australian workforce I am speaking of an issue which potentially affects a very large number of Australian citizens.

I might say that it is not as if no-one predicted that these problems would arise from the enacting of the Independent Contractors Act. When the bill for this act was introduced by the Howard government in 2006 Labor opposed it. The then shadow minister for industrial relations, Stephen Smith, now the Minister for Foreign Affairs, pointed out at the time that this act would remove the protections afforded to independent contractors such as owner-drivers by overriding state provisions in state based legislation which have employee-deeming provisions or which provide access at the state level to unfair contract provisions and unfair contract legislation. Mr Smith said of this act:

The effective message from this legislation either to a vulnerable employee or to an independent contractor is: you are on your own … In an unequal bargaining position with a superior contract partner, you will effectively now be on your own, with no access to state based protections, no access to unfair contract provisions and unfair contract legislation.

That warning from Labor and Stephen Smith was not heeded and the bill was passed through the Senate. I note in passing that Senator Fielding provided the vital vote which allowed that bill to pass. I wonder how a party which claims to put families first now feels about the adverse effects which have, as I have outlined, adversely affected owner-drivers and their families. In July this year federal, state and territory transport ministers asked the National Transport Commission to provide a report to the Australian Transport Council by November on this very issue. The NTC will be assisted in this process by two industry leading experts, the Hon. Lance Wright QC, a former president of the New South Wales Industrial Relations Commission, and Professor Michael Quinlan, an occupational health and safety expert from the University of New South Wales.

The review will report on, among other things, the current payment methods and rates of pay for both employee drivers and owner-drivers and the impact of driver renumeration and payment methods on safety risks and outcomes within the transport industry. I look forward to the report of the NTC and to the council of transport ministers later this year, and I look forward beyond that to a revision of the provisions of the Independent Contractors Act which have reduced the rights and protections for Australian owner-drivers and other independent contractors.

GROCERYchoice Website

Senator Barnett (Tasmania) (7.06 pm)—I rise tonight in the adjournment debate to highlight the sham that is the GROCERYchoice website of the Australian Labor Party. This is a $13 million white elephant and it is called GROCERYchoice. In the lead-up to the 2007 federal election we all recall that the then opposition leader, Kevin Rudd, and the Labor Party said that they would put downward pressure on grocery prices and indeed on fuel prices. Already, less than 12 months after the election, the Rudd Labor government appears to have
given up. The Fuelwatch arrangements have already been discredited far and wide throughout the country and tonight I would like to focus on GROCERYchoice and the farce that it is.

I am going to just highlight the flaws in this website. A total of $13 million of taxpayers’ money has been used to in fact promote the major chains to the detriment and to the disadvantage of the independent retail supermarkets throughout this country. If the government were a trading corporation rather than a government—the ACCC actually hosts this website for and on behalf of the government—in my view they could be sued under the Trade Practices Act for misleading and deceptive conduct, because that is exactly what is occurring.

I will walk through the concerns that I have, remembering that the coalition on this side support any sensible proposals that result in Australians paying less for groceries and less for fuel. GROCERYchoice only covers 500 items and it provides prices that could be either one month or up to two months out of date. A typical large supermarket stocks between 25,000 and 30,000 lines. It does not provide information on the price of individual brands, only categories of products. There are huge gaps in its coverage and, specifically, there are gaps in regional areas in Tasmania. Areas as diverse as St Helens and Launceston, for example, are included in the same region. There are only three regions in Tasmania. I have been looking at the website this afternoon, and you can see how absurd it actually is in terms of that framework.

In regard to Tasmania there are no independent supermarkets in the southern Tasmanian region with a floor space of over 1,000 square metres. Why do I refer to 1,000 square metres? Because that is the criterion used by the Australian government and the ACCC. They say on their website that, to ensure that the full range of 500 products can be priced at each of the supermarkets included in the price survey, the selection was generally restricted to those stores with a floor area of greater than 1,000 square metres. The facts are that in Tasmania there are only two independent supermarkets with more than 1,000 square metres: one at St Helens and one in Prospect in Launceston. So you have only got one region that satisfies the criteria. With respect to the other two regions, they are comparing the major chain supermarkets, which in Tasmania control in the vicinity of 80 per cent of the retail grocery market. So they are comparing apples with oranges, not apples with apples. That is what is happening as a result of this fraudulent GROCERYchoice website.

In terms of Tasmania I will be a little more specific by referring to the fact that the ACCC attempted to survey Festival IGA at Lindisfarne, which has 285 square metres, so it is nowhere near the 1,000 square metres criterion. They attempted to survey this independent supermarket and, fortunately, the owner had the good sense to say: ‘No. I will refuse your efforts to survey my supermarket.’ They have also successfully surveyed the Value Plus IGA supermarket in Valley Road, Devonport, which has 318 square metres—nowhere near 1,000 square metres. That is the absurdity of this. It is unfair and anticompetitive. It is hurting the independent supermarkets and they should close it down.

Let me speak a little further about this flawed white elephant that is GROCERYchoice, costing $13 million of taxpayers’ money. Let us look at what is says on the website. It is, bizarrely, pushing the foreign owned Aldi chain as the cheaper option to the other outlets. Of course Aldi does not exist in Tasmania, so what relevance is that of for us in Tasmania? I do at this stage want to commend Brighton councillor Leigh Gray
for his efforts to bring Aldi to Tasmania. Good on him for standing up and supporting that effort.

Not one Tasmanian shopper will benefit from this GROCERYchoice website. The government’s GROCERYchoice lumps corner stores and large independent stores into the same independent category, because they cannot, for example, in Tasmania find enough independent grocery stores with 1,000 square metres of space or more. Obviously they have got to get the smaller independent grocery stores, and, of course, they come out worse off. I have looked at the prices today and that is exactly what is occurring. It is anticompetitive and it is disadvantaging them.

Small retail outlets cannot and do not operate to the same economies of scale as major chain supermarkets. How can a 1,000 square metre store be fairly compared with a supermarket in excess of 4,000 square metres, or indeed larger. In terms of Tasmania, I want to highlight the concerns that have been expressed by Grant Hinchcliffe on behalf of Tasmanian Independent Retailers when this website was officially launched. He said that TIR, Tasmanian Independent Retailers, have exposed the ACCC’s GROCERYchoice website as a ‘misleading sham for Tasmanian shoppers’. He said:

... if true, reported claims by ACCC chairman Graeme Samuel that the website only compared supermarkets that were 1,000 square metres or larger were wrong.

There are no independent supermarkets in southern or north west Tasmania over 1,000 square metres in size, be they IGA banner supermarkets, Foodworks or other non-aligned grocery retailers. In fact there are only two independent supermarkets in the State with a floor space over 1,000 square metres and they are located at St Helens and Prospect.

... ... ...

It’s unfair and unreasonable to compare the retail prices of a small independent to that of Woolworths or Coles that operate stores up the three times or more in size, with on average up to six to eight times the turnover.

TIR are an excellent cooperative. They have done wonderful work in Tasmania. They are the backbone of the small business community, particularly in the rural and regional areas. They should be commended and they should be supported by this government, not kicked in the head while they are down. They represent over 120 stores in Tasmania operating under the Festival IGA, Supa IGA, Value Plus IGA and Friendly Grocer IGA banners, and they do a wonderful job.

At the national level, the National Association of Retail Grocers of Australia is an excellent organisation. The president is John Cummings, a Western Australian, a very fine citizen and an outstanding individual. The executive director is Ken Hendrick. He does a wonderful job representing the interests of small and independent retail grocers across Australia. What did John Cummings say at the release of GROCERYchoice? He said that it was a costly sham. He said:

The ACCC has thrown the Rudd Government another hospital pass.

GROCERYchoice, the grocery price monitoring program designed, recommended and endorsed by the ACCC, does not take into account how consumers buy groceries and does not deliver one benefit.

The data has been collected by regions, even the smallest of them covering hundreds of square kilometres, the largest tens of thousands of square kilometres. These are not real world shopping catchment areas.

Early data collection by the ACCC’s agents have covered a basket of 500 items, but we are given no data on which items are included in the basket—and therefore we have no way of knowing whether the surveys accurately compare like products.

In conclusion, he said:
Punch in your postcode and you’ll be taken to a page purporting to give you prices for a basket of goods in Woolworths/Safeway, Coles/Bi Lo, Franklins, Independents and ALDI.

He summarised it well.

There are serious concerns and I raise them in the Senate tonight. I ask the government to reconsider and to say that this is a fraud, it is misleading and it is deceptive. If the government were a corporation it could be sued—and I think successfully—for false, misleading and deceptive conduct. It is disadvantaging small and independent retail grocers not only across Australia but particularly in Tasmania. I highlight that for the Senate.

**Workplace Relations**

**Senator FURNER** *(Queensland)* *(7.16 pm)—* I rise tonight to speak on one of my passions—industrial relations. I respectfully consider myself to be a proponent in this area when it comes to industrial relations for working families. Last week we heard of the government’s rescue of workers rights and conditions as a result of new industrial relations changes that will produce changes for the betterment of working families in our society.

The Deputy Prime Minister, in her speech to the Press Club, spoke about the fair go. I am sure those on the other side of this chamber realise what the fair go is, unless they are out of touch. The inspiration of society that always aims to give every citizen a decent standard of living is what a fair go is all about. To understand where we are currently when it comes to industrial relations, I guess we need to examine what happened in the past under the Howard coalition government. In reflecting on some of the matters that are still in place under Work Choices, I turn to a couple in respect of matters such as dismissals.

One of the most severe and insidious parts of the legislation was the erosion of workers rights for the right to challenge unfair dismissal. When the Howard government introduced this particular part of the legislation, they spoke about small workplaces and they specifically put in an exemption for workplaces with fewer than 100 employees, therefore giving them no right to unfair dismissal.

I would challenge that being a small workplace. And remember that that 100 employees includes only full-time, part-time and regular casuals; it excludes short-term, irregular casuals or seasonal workers.

If we go to the ILO Convention (No. 158) concerning Termination of Employment at the Initiative of the Employers 1982, to which Australia is a party, and in particular to division A, ‘Justification for Termination’, we find that article 4 says:

The employment of a worker shall not be terminated unless there is a valid reason for such termination connected with the capacity or conduct of the worker or based on the operational requirements of the undertaking, establishment or service.

Under Work Choices workers have no rights currently in respect of that matter because there is no opportunity to challenge a valid reason in workplaces of less than 100. But let us go beyond that to workplaces of greater than 100. There is a perception out there that, in cases where a worker is terminated for redundancy, for example, and challenges that as the genuine reason, that worker is also unprotected in respect of that particular feature of the legislation.

The new provision that was introduced specifically said that workers could be terminated for operational requirements. So, effectively, there is a moving feast here of what is an operational requirement when it comes to that particular part of the legislation. One example we should consider is the example of the Village Roadshow case,
where a 52-year-old worker who had worked for the cinema chain for 19 years was made redundant because the cinema had decided to demolish and rebuild. All the other employees were transferred to the new business and redeployed, but this worker was terminated. The Village Roadshow is not a small business; it is quite a large business in this country. The 52-year-old worker challenged the dismissal and took it to the Australian Industrial Relations Commission, but it was the federal government, the Howard coalition government, that challenged that decision of the AIRC—not the company—and it was appealed on to the full bench of the AIRC, where it was ruled that that was a genuine operational reason and there had been no unfair dismissal. Once again referring to the same ILO C158, article 8 says:

1. A worker who considers that his employment has been unjustifiably terminated shall be entitled to appeal against that termination to an impartial body.

When you have definitions of operational requirements and exclusions in workplaces of less than 100, how can that ILO convention have application?

The previous government also offered a sum of $4,000 for assistance with legal advice, but as you would know, Madam Acting Deputy President Moore, the process of resolving a dismissal under these arrangements is extremely lengthy and adversarial when it comes to dealing with the legal system. Four thousand dollars would barely touch the sides of running a case to get some satisfaction and settlement on that matter. So what is the Labor government going to do? It is going to reinstall balanced protection for workers in workplaces with timely periods and procedures to ensure that workers are sheltered from unfair dismissals.

I will now turn to agreements. In my previous experience in my 19 years as an official, employers welcomed the involvement of unions in workplaces and negotiations of agreements because they had a wealth of knowledge from dealing with other industrial relations matters and business operational requirements in other places to assist them through the process. They had the credibility and the capacity to reach agreement. Before Work Choices it was the case that, if you had agreement, it would prevail until the parties decided to terminate it or reached agreement on a replacement agreement. Under Work Choices the situation is that after 90 days beyond the expiry date the employer can terminate the agreement forthwith, with no recourse whatsoever. Therefore, you are not in a position to renegotiate an agreement beyond that 90 days.

Businesses purchase other businesses and acquire new arrangements, and one of the main concerns is the transmission of the business and the transmission of the rights and conditions. Under Work Choices, it does not matter whether you are satisfied or dissatisfied with those conditions—you only retain them for a period of 12 months if you decided to move on to the new employer. Then, after 12 months, you can make a decision to either accept the new arrangements or move on to another workplace.

The previous government went to some lengths to exclude particular provisions from agreements—for example, remedies for unfair dismissal, union involvement in the dispute settlement procedure, renegotiation clauses, paid delegates training leave, paid union meetings, bargaining fees, and the list went on. If you made a mistake by claiming one of those matters during a negotiation or mistakenly put it into your new agreement, the previous government also wanted to have you fined $33,000 for every breach. Bear in mind that the view of the previous Prime Minister, Mr Howard, was that workers always had the option of going out and finding
another job. If they did not like what their boss was offering, that is all they needed to do. Working families in this day and age want sustainability and some consistency in their working conditions. They do not want to have to toddle off to other workplaces and be concerned about whether they are going to be employed. Under Labor’s new legislation, parties will be able to bargain over a wider range of content than they can present and put into a new agreement.

On freedom of association, the Work Choices legislation attacked unions’ ability to enter a workplace and protect members’ interests. The legislation provided for employers to select the venue for the meeting—it might have been outside the human resources office or, in some cases, in the car park or in a bay in a warehouse where trucks might be entering. They were just outrageous arrangements that were unsuitable for both workers and their safety.

There is another convention that deals with this. It is the ILO Convention (No. 87): Freedom of Association and Protection of the Right to Organise Convention, 1948. It is article 11 that I refer to:

Each Member of the International Labour Organisation for which this Convention is in force undertakes to take all reasonable and appropriate measures—

**Senate adjourned at 7.26 pm**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- Australian Research Council—Strategic plan 2008-09 to 2010-11.
- **Migration Act 1958**—Section 486O—Assessment of detention arrangements—Personal identifiers 437/08 to 454/08—Commonwealth Ombudsman’s reports.
- Payments System Board—Report for 2007-08.
- Reserve Bank of Australia—Equity and diversity—Report for 2007-08.
- **Superannuation (Government Co-contribution for Low Income Earners) Act 2003**—Quarterly report on the operation of the Government co-contribution scheme for the period 1 April to 30 June 2008, together with report for 2007-08.

**Tabling**

The following documents were tabled by the Clerk:

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

- Australian Federal Police Act—Select Legislative Instrument 2008 No. 181—Australian Federal Police Amendment Regulations 2008 (No. 1) [F2008L03474]*.
- Aviation Transport Security Act—Select Legislative Instrument 2008 No. 190—Aviation Transport Security Amendment Regulations 2008 (No. 2) [F2008L03477]*.
- Christmas Island Act—List of applied Western Australian Acts for the period 16 March to 15 September 2008.
- Civil Aviation Act—Civil Aviation Safety Regulations—Airworthiness Directives—Part 105—AD/EC 120/18—Lighting and Ancillary Control Unit [F2008L03527]*.
- Instruments Nos CASA—EX40/08—Exemption – Part 139 of CASR 1998 – provision of traf-
fic information by UNICOM services [F2008L02071]*.
EX65/08—Exemption – from holding an air traffic control licence [F2008L03466]*.
Instrument No. AOD 2008/1 – Drug and alcohol testing [F2008L03478]*.
Select Legislative Instrument 2008 No. 191—Civil Aviation Amendment Regulations 2008 (No. 1) [F2008L03484]*.
Cocos (Keeling) Islands Act—List of applied Western Australian Acts for the period 16 March to 15 September 2008.
Corporations Act—ASIC Class Orders—
[CO 08/506] [F2008L03496]*.
[CO 08/751] [F2008L03520]*.
[CO 08/752] [F2008L03525]*.
[CO 08/753] [F2008L03526]*.
Family Law Act—Select Legislative Instruments 2008 Nos—
182—Family Law Amendment Regulations 2008 (No. 2) [F2008L03471]*.
183—Family Law (Family Dispute Resolution Practitioners) Regulations 2008 [F2008L03470]*.
Health Insurance Act—Select Legislative Instrument 2008 No. 188—Health Insurance (General Medical Services Table) Amendment Regulations 2008 (No. 3) [F2008L03166]*.
High Court of Australia Act—High Court (Precincts) Proclamation 2008 [F2008L03485]*.
Tradex Scheme Act—Select Legislative Instrument 2008 No. 193—Tradex Scheme Regulations 2008 [F2008L03469]*.
* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Satellite Technology
(Question No. 556)

Senator Bob Brown asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 28 July 2008:

(1) (a) What is the progress of the satellite augmentation system being developed by Airservices Australia, known as the Ground-based Regional Augmentation System; and (b) Have there been plans to halt development of the system.

(2) (a) Is the project still going ahead: if not, will there be a financial loss; and (b) if there will be a loss, will it be incurred by Airservices Australia and charged to the aviation industry or to the taxpayer.

Senator Conroy—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator’s question:

Airservices Australia has advised that:

(1) (a) and (b) The Ground based Regional Augmentation System (GRAS) project has ceased.

(2) (a) and (b) The discontinuation of the GRAS project will result in a write-off which will be reflected in the end of year financial results. Airservices operates under a ‘dual till’ environment, with prices for air navigation and Aviation Rescue and Fire Fighting (ARFF) services (as regulated by the Australian Competition and Consumer Commission) set to fund only those services and the prices for other commercial activities (OCA) set to support those activities. The GRAS activities were undertaken as an OCA and were funded through the OCA “till”. Under this arrangement, the prices for air navigation and ARFF will not be impacted. Airservices receives no Government appropriation funding.