COMMONWEALTH OF AUSTRALIA

SENATE

Hansard

MONDAY, 24 NOVEMBER 2008

CORRECTIONS

This is a PROOF ISSUE. Suggested corrections for the Official Hansard and Bound Volumes should be lodged in writing with the Director, Chambers, Department of Parliamentary Services as soon as possible but not later than:

Monday, 1 December 2008

Facsimile: Senate (02) 6277 2977
House of Representatives (02) 6277 2944
Main Committee (02) 6277 2944

BY AUTHORITY OF THE SENATE

PROOF
INTERNET
The Journals for the Senate are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

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<table>
<thead>
<tr>
<th>Month</th>
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<td>11, 12, 13, 17, 18, 19, 20</td>
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<td>June</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
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<td>1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25</td>
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<td>10, 11, 12, 13, 24, 25, 26, 27</td>
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<td>December</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.

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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

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
Deputy Leader of the Australian Greens—Senator Christine Anne Milne
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
<table>
<thead>
<tr>
<th>Senator</th>
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</table>

(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

Minister for Home Affairs
Assistant Treasurer and Minister for Competition Policy and
Consumer Affairs
Minister for Veterans’ Affairs
Minister for Housing and Minister for the Status of Women
Minister for Employment Participation
Minister for Defence Science and Personnel
Minister for Small Business, Independent Contractors and
the Service Economy and Minister Assisting the Finance
Minister on Deregulation
Minister for Superannuation and Corporate Law
Minister for Ageing
Minister for Youth and Minister for Sport
Parliamentary Secretary for Early Childhood Education and
Childcare
Parliamentary Secretary for Defence Procurement
Parliamentary Secretary for Defence Support
Parliamentary Secretary for Regional Development and
Northern Australia
Parliamentary Secretary for Disabilities and Children’s Ser-
vices
Parliamentary Secretary for International Development As-
sistance
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary for Social Inclusion and the Volun-
tary Sector and Parliamentary Secretary Assisting the
Prime Minister for Social Inclusion
Parliamentary Secretary to the Minister for Trade
Parliamentary Secretary to the Minister for Health and Age-
ing
Parliamentary Secretary for Multicultural Affairs and Set-
tlement Services

Hon. Bob Debus MP
Hon. Chris Bowen MP
Hon. Alan Griffin MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Hon. Warren Snowdon MP
Hon. Dr Craig Emerson MP
Senator Hon. Nick Sherry
Hon. Justine Elliot MP
Hon. Kate Ellis MP
Hon. Maxine McKew MP
Hon. Greg Combet AM, MP
Hon. Dr Mike Kelly AM, MP
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Bob McMullan MP
Hon. Duncan Kerr MP
Hon. Anthony Byrne MP
Senator Hon. Ursula Stephens
Hon. John Murphy MP
Senator Hon. Jan McLucas
Hon. Laurie Ferguson MP
SHADOW MINISTRY

Leader of the Opposition
Shadow Treasurer and Deputy Leader of the Opposition
Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design
Shadow Minister for Foreign Affairs and Manager of Opposition Business in the Senate
Shadow Minister for Finance, Competition Policy and Deregulation and Manager of Opposition Business in the Senate
Shadow Minister for Energy and Resources
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs
Shadow Special Minister of State and Shadow Cabinet Secretary
Shadow Minister for Human Services and Deputy Leader of The Nationals
Shadow Minister for Climate Change, Environment and Water
Shadow Minister for Health and Ageing
Shadow Minister for Defence
Shadow Minister for Education, Apprenticeships and Training
Shadow Attorney-General
Shadow Minister for Agriculture, Fisheries and Forestry
Shadow Minister for Employment and Workplace Relations
Shadow Minister for Immigration and Citizenship
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts

The Hon Malcolm Turnbull MP
The Hon Julie Bishop MP
The Hon Warren Truss MP
Senator the Hon Nick Minchin
Senator the Hon Eric Abetz
The Hon Andrew Robb AO, MP
Senator the Hon Helen Coonan
The Hon Joe Hockey MP
The Hon Ian Macfarlane MP
The Hon Tony Abbott MP
Senator the Hon Michael Ronaldson
Senator the Hon Nigel Scullion
The Hon Greg Hunt MP
The Hon Peter Dutton MP
Senator the Hon David Johnston
The Hon Christopher Pyne MP
Senator the Hon George Brandis SC
The Hon John Cobb MP
Mr Michael Keenan MP
The Hon Dr Sharman Stone
Mr Steven Ciobo

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

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

Shadow Assistant Treasurer
The Hon Tony Smith MP

Shadow Minister for Sustainable Development and Cities
The 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

Shadow Minister for Ageing
Mrs Margaret May MP

Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence
The Hon Bob Baldwin MP

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

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

Shadow Minister for Justice and Customs
The Hon Sussan Ley MP

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

Shadow Parliamentary Secretary for Northern Australia
Senator the Hon Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

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
The Hon Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon Brett Mason

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

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

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
CONTENTS

MONDAY, 24 NOVEMBER

Chamber
National Rental Affordability Scheme Bill 2008 ................................................................. 1
National Rental Affordability Scheme (Consequential Amendments) Bill 2008—
Second Reading ....................................................................................................................... 1
Questions Without Notice—
Budget ........................................................................................................................................ 21
Distinguished Visitors ................................................................................................................. 22
Questions Without Notice—
Rudd Government ................................................................................................................... 22
National Broadband Network .................................................................................................. 23
Queensland Storms ................................................................................................................... 24
Schools: Computers .................................................................................................................. 25
Australian National Academy of Music ................................................................................... 25
Distinguished Visitors................................................................................................................. 26
Questions Without Notice—
Rudd Government ................................................................................................................... 26
Automotive Industry .................................................................................................................. 27
Biotechnology ........................................................................................................................ 28
Questions Without Notice: Take Note of Answers—
Answers to Questions ............................................................................................................. 31
Australian National Academy of Music ................................................................................... 35
Petitions—
Abortion ..................................................................................................................................... 36
Notices—
Presentation ............................................................................................................................. 36
Leave of Absence ....................................................................................................................... 42
Committees—
Economics Committee—Meeting .......................................................................................... 42
Notices—
Postponement ......................................................................................................................... 42
Committees—
Economics Committee—Reference ...................................................................................... 42
Matters of Public Importance—
Rudd Government .................................................................................................................. 43
Ministerial Statements—
Citizenship Test ...................................................................................................................... 52
Documents—
Tabling ...................................................................................................................................... 54
Documents—
Responses to Senate Resolutions .......................................................................................... 54
Committees—
Economics Committee—Additional Information ................................................................... 54
Treaties Committee—Report .................................................................................................... 54
Committees—
Membership ......................................................................................................................... 55
Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 .......... 55
Appropriation (Economic Security Strategy) Bill (No. 1) 2008-2009.......................................... 55
Appropriation (Economic Security Strategy) Bill (No. 2) 2008-2009—
First Reading ........................................................................................................................... 55
Second Reading ......................................................................................................................... 56
National Measurement Amendment Bill 2008—
First Reading ........................................................................................................................... 58
Second Reading ......................................................................................................................... 58
Social Security Legislation Amendment (Employment Services Reform) Bill 2008—
Report of Education, Employment and Workplace Relations Committee .................................. 60
National Rental Affordability Scheme Bill 2008 ....................................................................... 60
National Rental Affordability Scheme (Consequential Amendments) Bill 2008—
Second Reading ....................................................................................................................... 60
In Committee ........................................................................................................................... 62
Third Reading ........................................................................................................................... 64
Business—
Rearrangement ......................................................................................................................... 64
CONTENTS—continued

Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Bill 2008—
   In Committee ................................................................................................................... 64
Same-Sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Bill 2008—
   Consideration of House of Representatives Message .................................................. 74
   Third Reading ................................................................................................................. 74
Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 .......... 76
Appropriation (Economic Security Strategy) Bill (No. 1) 2008-2009 .................................. 76
Appropriation (Economic Security Strategy) Bill (No. 2) 2008-2009—
   Second Reading .......................................................................................................... 76
   Third Reading .............................................................................................................. 101
Adjournment—
   Rudd Government ..................................................................................................... 101
   Migration .................................................................................................................... 101
   Ngukurr.................................................................................................................... 102
   Pensions and Benefits ............................................................................................ 104
Documents—
   Tabling ...................................................................................................................... 105
Questions On Notice
   Prime Minister and Cabinet: Carbon Offsets for Air Travel—(Question No. 579).............. 109
   Climate Change: Carbon Offsets for Air Travel—(Question No. 595) ............................. 109
   Environment, Water, Heritage and the Arts: Carbon Offsets for Air Travel—
      (Question No. 596) ............................................................................................... 109
   Rudd Government: Ministerial Staff—(Question No. 745) ............................................ 110
   Bargo State Conservation Area—(Question No. 756) ................................................... 111
The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12.30 pm and read prayers.

NATIONAL RENTAL AFFORDABILITY SCHEME BILL 2008

NATIONAL RENTAL AFFORDABILITY SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2008

Second Reading

Debate resumed from 13 November, on motion by Senator Sherry:

That these bills be now read a second time.

Senator PAYNE (New South Wales) (12.31 pm)—I wish to resume discussion on the National Rental Affordability Scheme Bill 2008 and the National Rental Affordability Scheme (Consequential Amendments) Bill 2008, which were being discussed in the last sitting week. The debate was interrupted by question time, when we had, again, a larger presence than usual in the chamber, which was gratifying for those interested in the National Affordable Housing Scheme. I indicated at the time the details of the primary bill and the secondary bill.

Can I go on to say that, of the more than $600 million which has been allocated over four years for the scheme in this year’s budget, almost $500 million has been allocated to fund the tax offset. The balance has been allocated for direct financial grants and for administrative costs, and the majority of the funds allocated for the scheme have been earmarked for the final year of the scheme. That is four years away and, as I stated in my earlier remarks, over that period it seems, according to reports and assessments, that the accumulated undersupply could be as high as 200,000 housing units nationwide, which is a very significant gap.

This scheme is part of a number of measures being introduced by the government in a promoted effort to address the deterioration which Australia has been experiencing in housing affordability. The others, some of which have already been discussed in the chamber, include the first home saver accounts and the Housing Affordability Fund.

As the coalition has already made quite clear, we will not be opposing the bill. However, as I have also remarked, we do have a number of concerns—particularly in relation to certain aspects of the bill’s design—which I would like to put on the record briefly. The most significant of those is the likelihood that the scheme will fail to meet the government’s targets. Even if it does meet those targets, it still can only make up a very small proportion of the projected undersupply of housing. We had the opportunity to discuss those targets with the department in the estimates process, including how they were brought together in the promotion of the scheme—and we learnt at that stage that, as sophisticated as the government may now claim it to have been, it was merely a part of opposition policy at the time—and that they are not in fact modelled targets; they are not based on any research which the department was able to supply the committee with in that discussion.

We are also concerned at a potential flaw that might have the capacity to undermine the success of the scheme, and that is its fairly rigidly structured parameters, which we are concerned in a free market may have the impact of reducing the scheme’s appeal for the kind of investors that the government is hoping to attract to this new institutional investment asset class. As it happens, there is actually quite a low amount of institutional investment in residential stock in Australia, relatively speaking. That is for a number of reasons, which might include a lack of scalability, higher transaction costs and unwieldy asset management arrangements.

Another barrier to institutional investment in the NRAS, which we have identified through the work of the shadow minister, Mr Morrison, is a lack of compelling evidence that the scheme will produce a competitive rate of return. With all the best will in the world, investors and those people intending, not unreasonably, to make money out of their business will not participate if they are not going to find a reasonable and competitive rate of return. We have seen reports that under this scheme the passing yield could be as relatively low as 4.5 per cent. The residential property council has said that, in order to be competitive, a new asset class of this type would need to return a passing yield of a minimum of five per cent and total returns of closer to nine per cent, with some estimates going as high as 15 per cent.

There is another aspect of the design of this scheme which is probably quite constraining, and that is the value of the incentive being fixed at $6,000 per annum. The value of the incentive will be far greater for areas in which there is relatively low demand for housing than for areas in which there is relatively high demand—for example, the inner-city areas of the three large cities of Sydney, Melbourne and Brisbane. As we and the shadow minister have said, the value of the scheme’s incentives might be more beneficially tied to the value of the project and the projected rents, with a sliding scale offered for the incentive. The Australian Housing Industry Association made that suggestion, which we have reported with interest. That may assist in making projects more viable.

Another potential design issue we see is that the tax offsets are to be limited to those parties who will draw, as I understand it, a rental income from the investment, which might reduce the flexibility with which a potential investment itself might be managed. Of course, we
will still see state and territory governments reaping significant revenue in stamp duty and GST. We believe they should at least match the Commonwealth’s contribution to the scheme to increase its viability.

So we do have a scheme in front of us but it does have tight parameters, and the risks to a potential investor are not insignificant. For example, consider dwelling vacancies, completion delays and turnover created by tenants moving in and out of the income band. The finer points of the management of those aspects may potentially lead to the withdrawal or suspension of the incentives. They are all factors that one would consider as an investor when comparing the scheme to other investment opportunities. So, as the incentives currently stand, it is certainly possible that the only projects which will be commercially viable will end up being those on the fringe of our cities or in smaller metropolitan and regional areas.

On the point relating to the fringes of our cities, I refer again to the report of the Senate Select Committee on Housing Affordability in Australia—and I see Senator Moore nodding with interest—because this was a subject that we considered at some length. Really, it becomes a rather self-defeating process to merely add housing to the fringes of those cities and not match that at the same time with the sorts of infrastructure and support that communities need to be viable and, most importantly, to have employment in situ.

I do note with interest that, in the initial rounds of the scheme, the requirement for a minimum of 100 lots has been relaxed. We have said that, in order to encourage the supply of housing in those areas of greatest demand, that requirement may require permanent relaxation, or the government may be risking potentially worthy projects.

We have also had a look at the eligibility criteria for tenants, and there seems to be a degree of rigidity in those parameters as well, particularly with regard to what are known colloquially as ‘key workers’. So we have a scheme from the government which is one of a number of measures to increase homeownership and housing affordability but, because those criteria for tenant eligibility in this regard are quite restrictive, we are concerned that a significant number of potential tenants in need of affordable housing may be locked out. So investors, for example, will want to be very sure that potential tenants have a reliable source of income. Potential tenants who are in need of affordable housing might be those who are saving a deposit to buy their first home or those who unexpectedly find themselves in need of housing in the private rental market. And if the scheme’s objective is to reduce rental stress in the private market then perhaps, for breadth of application, greater numbers of potential tenants, all potential tenants who are currently struggling in the private market, should be included in the scheme.

This is another point that the Residential Development Council highlights in a submission which refers to ‘key workers’. That would include teachers, childcare workers, nurses, police, firefighters and ambulance officers—all those emergency services personnel—who it seems would almost all, under the criteria as we read them, find themselves in a position of being ineligible for tenancy under the scheme. Key workers on award rates are often stationed in areas where housing costs are especially high. It is not really clear to us or to me how they are going to be able to compete in the local housing market and then compete on the other hand for eligibility in the NRAS. We think it would be inequitable for them to be excluded from the scheme, particularly if the affordable housing is located some distance from their employment. As we see it, the tenant eligibility criteria may be so prescriptive that perhaps the only tenants who will qualify are in fact current public housing tenants, and I am not sure that that is the best way to address the problems that the government is trying to solve.

We also had some concerns—which are ongoing and I know are shared by Senator Ludlam—in relation to the charitable status of not-for-profit organisations that may seek to participate in the scheme. Just before the bill was introduced into the Senate there was a consequential amendments bill produced by the government seeking to address that, and there was a media release by the Treasurer. It will be interesting to see where that takes us.

I also want to acknowledge the work of the Standing Committee on Community Affairs and the report that the committee has brought down under the chairmanship of Senator Moore, and note the valuable contribution of opposition senators in that report. It has certainly given us some interesting material to consider. I also move the amendment standing in my name on the Notice Paper:

At the end of the motion, add:

but the Senate calls on the Government to make such amendments to the National Rental Affordability Scheme as would:

(a) provide for incentives to be given on a sliding scale to take account of the different development and land costs in different locations;
(b) provide for successful applicants to transfer their tax offsets on a once-only basis to project financiers in return for a lower cost of funds, including providing such tax offsets to not for profit entities for this purpose;
(c) require that State and Territory Governments match the incentives provided by the Commonwealth under the Scheme;
(d) extend project eligibility criteria to include conversions to affordable housing from existing residential stock, particularly where such projects involve substantial redevelopment to provide for specific
needs groups such as aged or disabled accommodation;

(e) extend the upper level income limits for tenant income eligibility criteria by 30% in each band to ensure greater access for key workers and those seeking to save to buy their first homes;

(f) provide ‘as of right’ eligibility for the Federal Government’s solar panel rebate and solar hot water rebate schemes; and

(g) extend the establishment phase criteria that approximately 20% of incentives be available for projects of not less than 20 dwellings, to the entire Scheme.

Senator LUDLAM (Western Australia) (12.42 pm)—The Greens will be supporting the National Rental Affordability Scheme Bill 2008 and the National Rental Affordability Scheme (Consequential Amendments) Bill 2008. I concur with many of the concerns that were raised by Senator Payne around the way the scheme will actually function once it has been operating for a couple of years. We recognise that, as the government has put it, it is quite an adaptive policy and that it is intended to be changed according to the uptake—the rate at which the community sector or the private sector eventually decide to take on the scheme. We will also be following this with a great deal of interest, as the successive rounds under the NRAS roll out, to assess whether it is actually meeting the demand.

The demand has obviously reached appalling proportions. In 2007 more than one in five households in private rental spent more than 30% of their income on rent and one in 10 low-income households in private rental spent more than half of their income on rent. So the scale of the issues in the private rental market is clearly very grave.

This policy is aimed at easing the undersupply of rental properties; at being deflationary; at increasing supply, thereby benefiting other renters not necessarily residing in NRAS dwellings; and at lowering the proportion of income that low- to moderate-income households spend on rent. The Australian Greens are certainly supportive of those objectives. It was made very clear to us in the course of the hearings of the brief Senate inquiry that we undertook that this scheme will not resolve the issues of housing affordability and homelessness in isolation, that it is really part of a package of measures. So we are looking forward to seeing the substance of the National Affordable Housing Agreement and other measures to ensure that everyone in Australia is adequately and sustainably housed.

I want briefly to recognise the work of the community housing sector, for providing the initial impetus and ideas for the scheme, for the enormous amount of work they have put into pursuing this and for the work that they do in the course of daily operations in provid-

ing affordable housing. They have been tireless and selfless advocates for the disadvantaged, and that came through very clearly in the hearings that were held. So the scheme has been designed to encourage their participation. Our understanding is that so far their participation has been fairly solid, certainly in the first round.

Of course, as Senator Payne mentioned, there was a near miss that looked as though it could quite seriously derail the scheme. All we really have is a temporary fix and we cannot wait around for another two years, which is all the time that the Treasurer’s media statement has bought us. We certainly cannot afford to wait for another two years before the issue of the charitable status of community housing organisations seeking to participate in the scheme is resolved. That needs to be resolved, I would suggest, in the first quarter of next year so that the scheme can roll out with a bit of certainty for everybody involved.

Another thing, which goes to the second reading amendment that have been circulated in my name, is that housing sustainability criteria were certainly addressed in the government’s policy but they were not addressed in the regulations. We need to get away from the idea that sustainability in building and building stock, particularly for people on low incomes, needs to increase the costs. In fact, there is a very strong argument to suggest that there are two components of housing affordability in the rental market: one is how much you pay in rent and the other is how much you pay in utility bills, including energy and water, and your access to employment and your access to public transport. These have not really been addressed in the regulations, so the second reading amendment that has been circulated explicitly mention energy and water efficiency and access to public transport as the criteria by which NRAS properties are judged. I do not think that there is anything all that controversial in them. I received a letter from the minister this morning suggesting that those things would be taken into account in further NRAS rounds, but I suggest that that is actually an opportunity missed. The sooner that energy and water efficiency and access to public transport are included as criteria by which these properties are judged, the better. As I said, rental is only one component of affordability. We need to be making sure that people on low incomes are not stranded in energy and water inefficient properties and that access to services and public transport has been taken into account when the properties are established.

A couple of other points were raised during the course of the inquiry. The national housing affordability summit quite strongly put to the government the idea, as future rounds of NRAS roll out, of a panel consisting of:
… a person with high-level experience in business and finance, another with substantial experience in provision of low-rent housing and a third person with expertise in schemes of this kind.

They are suggesting a panel of no more than about three people with expertise in projects such as this to ensure that the large institutional investors come on board and that this scheme actually works on the scale that the government intends. The government has announced that it is committed to reviewing the scheme after two years, but I would suggest that such a panel should be incorporated much sooner than that to make sure that the scheme is functioning as was intended.

The other thing—and I think Senator Payne picked up on this in her second reading amendment—is that 20 per cent of the incentives be available for projects of not less than 20 dwellings, and that that would not be quarantined to the first few rounds but would last for the life of the scheme. I will leave my comments there and foreshadow the Greens second reading amendment.

Senator CAROL BROWN (Tasmania) (12.48 pm)—I seek leave to incorporate my speech and speeches by Senators Sterle, Xenophon and Wortley.

Leave granted.

Senator CAROL BROWN—

The incorporated speech read as follows—

I rise to speak on the National Rental Affordability Scheme Bill 2008. This bill gives legislative effect to the Government’s National Rental Affordability Scheme, announced as part of the Government’s $2.2 billion affordable housing package in this year’s May budget.

The Scheme represents a bold and innovative commitment by the Government to increase the availability of affordable housing around the country and reduce the number of Australians suffering from rental stress.

Indeed the measures contained in this bill, along with several others previously announced make good on the Government pre-election commitment to tackle housing affordability in Australia.

In recent times the Government has also launched the first expressions of interest round for the $512 million Housing Affordability Fund.

It has passed legislation giving effect to the $1.2 billion First Home Saver Account initiative—enabling banks to offer such accounts to aspiring first home buyers. On top of this the Government has also announced a boost to the first home owner’s grant- from $7,000 to $14,000 for existing dwellings and to $21,000 for newly built homes, as part of its $10.4 million economic stimulus package.

Finally it has also began the process of rolling out projects under its Place to Call Home initiative, including I am proud to say in my home state of Tasmania, delivering on its dual commitment to tackle homelessness.

These represent the actions of a Government committed to assisting all Australians find the housing solutions that they need -the actions of a government which has made housing a key element of its broader social and economic policy agenda.

Indeed the Government recognises that finding viable and affordable housing solutions is causing a problem for many Australians.

It also recognises that investing in affordable housing infrastructure will not only ease the burden on people seeking affordable housing options solutions, by increasing the number of affordable houses available, it also makes good economic sense, through stimulating greater infrastructure production and investment.

The bill provides the principle legislation for the establishment of the National Rental Affordability Scheme. The Scheme will be established by regulations. It is desirable for most of the administrative detail of the scheme to be in regulations rather than a bill, to ensure the flexibility to address, if need be, the changing circumstances and conditions in the rental market.

The object of the bill, as stated, is to increase the supply of affordable rental housing and to reduce rentals costs for low to middle income families. The scheme encourages large-scale investment in affordable rental housing by offering an incentive to investors providing of new housing, on the condition that they rent them to low and moderate income families at 20 per cent below the market rates.

The incentive comprises of a commonwealth contribution of $6,000 per house per year, and a state and territory contribution in the form of direct financial support or an in kind contribution to the value of $2,000 per dwelling per year.

The incentive can be in the form of either a refundable tax offset or payment.

The incentive will be provided each year for 10 years and will be indexed in line with the rental component of the Consumer Price Index.

Importantly, the scheme will be reviewed in its early years of implementation to ensure that it is adequately focused on and delivering for those Australians who would otherwise be in rental stress, and to make sure the scheme that it remains simple and its administrative costs are minimal.

As the Minister for Housing, pointed out in her second reading contribution, the scheme represents the first major housing intervention by Government in over a decade. If supported and passed, it will be the first time in a decade that the Australian Government has engaged in the housing market and sought to actively foster the development of affordable housing solutions for low to moderate income families, who have up until this point been faced with a crucial lack of supply.

The Scheme contained in this bill will see the establishment of an additional 50,000 affordable rental property by 2012. Further if the demand for affordable housing remains high the Government is committed to looking at extending the scheme to include a further 50,000 incentives over the following five years.

This I am sure will come as a welcome relief for low income families, pensioners, young people and many workers who are struggling to find affordable housing and keep up with the cost of rent, and who I might add, where offered little assistance by the previous Government.
Statistics proved by the Australian Bureau of Statistics show that nearly 30 per cent of Australian households rent. Further that between 1996 - 2006, the number of people renting in Australia increased.

While families may choose to rent for a variety of reasons, figures show that renters are more likely to be younger and have a lower income.

Indeed, research produced by the National Centre of Social and Economic Modelling (NATSEM) supports this. It found that as of December last year a staggering 1.1 million low to moderate income families where suffering from rental stress right across the country. Nearly 700,000 of these families are currently spending more than 30 per cent of their incomes just on paying rent.

For those 700,000 thousand, that leaves significantly less to budget for other essential household expenses such as groceries, petrol, and childcare and education fees.

On top of this the current undersupply of affordable housing has pushed vacancy rates to a critical low, and with increased demand inevitably comes an increase price that can be charged for rent.

The practical reality of the decline in availability and increase in cost of housing in Australia means that many people are being forced to move, to live in cramped and less than desirable conditions, go without essentials such as food, just to pay the rent.

An unacceptable number are even being forced into homelessness.

Indeed the practical reality associated with increased housing costs in Australia, is that it is having an enormous impact on families, pensioners, young people and lower paid workers. Many are going without food, heating, proper health care because when it comes to the crunch, they are being forced to spread themselves too thin.

The Rudd Government recognises that something needs to be done to ease the burden on Australian households by increasing the availability of affordable housing, and by coming up with adequate housing solutions for all Australians.

It recognised this way back in July last year when the Prime Minister Kevin Rudd, then in opposition put the issue squarely on the agenda by hosting a Housing Affordability Summit to discuss the issue and come up with viable, long term solutions.

Since then the Government has kept to its word by delivering 2.2 billion worth of housing initiatives as part of this years budget, hosting a national forum on homelessness, delivering a green paper on homelessness, Which Way Home? A new approach to homelessness.

The Government’s Budget housing package involves a $2.2 billion investment over the next four years on boosting rental stocks, helping people save for their first home, lowering housing construction costs and building new homes for the homeless.

Alongside the 622.6 million set aside to establish the National Rental Affordability Scheme over the next four years, the Government has already begun the process of rolling out its First Home Saver Housing Affordability Fund and Homelessness initiatives.

On October 1 banks around the country began offering First Home Saver Accounts.

Under this initiative the Government is investing around 1.2 billion over four years to help young Australians realise their dream of owning their first home by giving first home savers, with accounts up to $850 dollars for every 5,000 they save each year.

On top of this, as a mentioned earlier in light of the current global economic conditions we have, as part of our Economic Security Strategy, the Government has also doubled the first home owners grant from 7,000 to 14,000 for people who purchase established homes and to 21,000 for people who purchase a newly constructed home.

With ABS figures showing that younger people on lower incomes are most likely to be stuck in the rental market, these incentives are design to support and encourage people to save for their first home.

As part of this years budget the Government also announced 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.

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.

As I have mentioned previously, 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 Minister.

The first round expressions of interest in our $512 million Housing Affordability Fund closed on the 15 October, with successful applicants being notified in December. The HAF will assist in the construction costs of new homes, making more affordable dwellings available for those who need them.

Finally, in light of the Governments commitment to provide better, more affordable housing for all Australians, it has committed to investing $100 million over the next four years, and another $50 million in 2012/13 to build 600 new homes for the homeless.

The A Place to Call Home scheme is a down payment on the Rudd Labor Governments commitment to reduce homelessness.

I am pleased to say, one of the first announcements made as part of the Scheme took place in my home state of Tasmania, consisting of a $20 million joint announcement between the Commonwealth and State Governments to help build a new supported accommodation facility for Tasmania’s homeless.

When combined with the measures contained in this bill, all of these measures add up to a substantial commitment by the
Government to do all it can to address housing affordability in this country.

Each of the initiatives have specific benefits and have been the subject of praise, and the National Rental Affordability Scheme is no exception.

When the Scheme was first announced, last year, it was welcomed by the Housing Industry Association director, Dr Ron Silberberg, who said that the scheme was and I quote “…a very positive step as it provides incentive for investment…” and that the design of the scheme ensured that investment would be targeted where it was most needed.

Indeed, an increasingly important point to make is that in economically turbulent times, the Scheme will provide a solid incentive and surety for investors to continue to build new affordable housing options.

Further in such circumstances the scheme will help facilitate new and creative partnerships to emerge between with state governments, local councils, not for profit organisations, investors, developers and community houses to adequately address the supply of affordable housing and target it directly to the areas that need it most.

This can only be viewed as a positive thing.

The Senate Select Committee Inquiry into Affordable Housing recently handed down its report. In relation to rental schemes the Committee found, and I quote:

“… That the current supply of rental housing is severely inadequate. Vacancy rates are at record lows. The committee acknowledges the federal governments National Rental Affordability Scheme and its national target of an extra 100,000 affordable housing dwellings with 50,000 by 2012. The Scheme will provide annual tax incentives over 10 years to investors in affordable rental housing.”

The operation of the Scheme has also been recently considered by the Senate Community Affairs Committee. Indeed the Committee’s report was handed down ahead of schedule.

The Report notes that the National Rental Affordability Scheme attracted strong support from a wide variety of submitters. However that the major reason for the widespread support for the scheme was the significant undersupply of affordable rental housing options for those on low incomes.

Indeed the submission from the Department of Families, Housing, Community Services and Indigenous Affairs, concluded at the unmet demand in the construction of housing is currently running at around 30,000 dwellings per annum.

Further and most importantly the Committee noted in the report that it was left with little doubt that the parts of the housing sector that concern itself with low to moderate income earners considered the passing of this bill as a matter of public urgency.

The report noted that the primary concern regarding the scheme was that participation in the scheme may potentially impact on an organisations charitable status.

The Government has already sort to address this, with the Treasurer announcing on the 12 November an extension of the relevant act so as to circumvent this possible situation occurring.

Indeed the committee anticipated that this amendment would address the primary concerns raised by witnesses in relation to the potential loss of charitable status and would provide the necessary certainty for investment in the scheme to commence.

In response to these concerns the Treasurer also announced yesterday that the Government would introduce a transitional safety net for charities looking at participating in the scheme.

This has left no doubt that charity organisations will be able to participate in the scheme with the confidence that their charitable status will not be jeopardised in anyway.

The Committee concluded that while the Scheme was not likely to address in full the current shortfall of affordable rental housing for low to moderate income earners, and a medium to long term approach to the issue was needed, the scheme would serve the purpose of effectively and efficiently supplementing the supply of affordable housing stocks in Australia. Further that any concerns raised during the course of the inquiry could be adequately addressed in the post- implementation of the scheme and did not warrant the further delay of the introduction of the Scheme.

Therefore the Committee recommended that the Senate pass the bill.

Indeed in light of the plethora of evidence which demonstrates the harsh reality of the current significant undersupply of affordable rental housing in Australia is that an increasing number of Australian families are suffering from housing stress and in extreme cases left with no where to live, the measures contained in this bill are most timely and most welcome.

I commend the bill to the chamber and support its passage.

Senator STERLE (Western Australia) (12.48 pm)—The incorporated speech read as follows—

I wish to speak in support of the National Rental Affordability Scheme Bill 2008. This is a landmark bill. It will pave the way forward in addressing many of the problems that currently exist with the capacity of the private rental market to provide affordable rental housing for households on low and moderate incomes.

There would hardly be an adult living in Australia over the past seven years, who would not be aware that housing stress brought on by rapidly declining housing affordability has become a major issue across the country.

The problem of housing stress because of declining affordability really took off in this country in a big way in the years after 2001. The first indication, that this was an increasingly serious problem for large numbers of Australian households attempting to enter the housing market, showed up with the huge surge in house prices after 2001.

In the period 2001 to 2007, figures published by the Housing Industry Association, show that the median cost of a first home more than doubled. To make matters worse over the same period average monthly repayments on a new first home purchase increased by approximately 130 per cent. Not only was then there a dramatic rise in the cost of a first home owner house, the cost of repaying the mortgage on the house increased even further.

These rates of increase in the cost of home ownership, particularly for first home buyers, would not have been a problem if average household income had risen by a similar rate. Again, figures published by the Housing Industry Association/ Commonwealth Bank of Australia (HIA/CBA) Housing Affordability Index...
show that average household disposable income increased by only approximately 25 per cent in the period 2001 to 2007. These trends were bound to have serious implications for the housing rental market and that is exactly what has happened.

To illustrate how the decline of housing affordability has affected individual Australian households you only have to look at the effect on household disposable income.

Based on figures published by the Housing Industry Association, in 2001 monthly repayments on a median priced first home would have amounted to approximately 20 per cent of average household disposable income.

By June 2007 monthly repayments on a median price first home amounted to approximately 37 per cent of average household disposable income.

The effect has been that successive groups of first homebuyers have been going back financially as inflation and higher mortgage costs have been taking a greater share of household real disposable income.

This has resulted in many Australian families, due to no fault of their own, being shut out of the benefits of Australia’s economic growth over the past 5-8 years.

It would do well for senators opposite to dwell on this fact and then perhaps it might dawn on their leader mismanaged their time in Government.

Whilst first home buyers particularly those on low and moderate incomes were, in relative terms, the first to feel the full effect of the Howard Government’s neglect of the problem of declining housing affordability, it has not taken long for increased rental costs to become the most pressing issue concerning housing stress in this country.

The latest figures on CPI growth, published by the ABS, show that over the 12 months to March 2008, the housing component of the CPI rose by 6.8 per cent. This was the largest annual increase since the June Quarter 2001. More importantly, the ABS’s September 2008 CPI release notes that this rise in the housing cost component of the CPI was in large part due to rent, up 8.2 per cent.

Clearly, we are seeing a rapid increase in rents brought on, by increasing numbers of people unable to afford or purchase their own home and because rental housing market supply has not kept up with demand, particularly in respect to the low cost end of the market. Large numbers of low and moderate income earners who have been priced out of home ownership are now being hit hard by unaffordable rent.

Today, it is estimated that there are 1.1 million Australian households in housing stress. Put another way, well over 1 in 10 households in this country are in housing stress. This is a situation that no responsible government can ignore.

Furthermore almost 700,000 renters are in housing stress because of having to pay rents that are affordable only if renters scrimp and forego on what most other households regard as essential living costs.

Available statistics suggest that approximately one third of all renters are experiencing housing stress. This is the scale of the problem inherited by the Rudd government.

No wonder this was a key issue at the last federal election. No wonder communities across the country have for years been up in arms about the situation regarding housing affordability.

While there has been some debate on why the cost of housing went through the roof after 2001, what was really appalling was the lack of a meaningful response from the Howard government.

Unfortunately the Howard government, rather than grasping with the issue in a constructive way and providing national leadership to deal with what had become a particularly serious national problem, resorted simply to blaming state and territory governments for the problem.

For the federal government at the time to infer that it had no, or very little responsibility to materially assist in responding to seriously declining housing affordability across the nation was a travesty.

We only have to look at one of the major factors that contributed to dramatically rising housing costs after 2001, namely immigration.

In the years immediately prior to 2006/07 Australia experienced a very high increase in the level of net migration, a federal government policy responsibility.

The result was that in the 5 years to 2006/07 there were over 600,000 new permanent arrivals to Australia. In comparison, in the previous 5 years there were only approximately 450,000 new permanent migrant arrivals.

You have to go back to the second half of the 1980s to find a similar period of high migrant intake. I am in no way criticising the high migration policy but the Howard government should have been well and truly aware of the likely consequences for housing demand and costs that would flow from such a policy.

The Howard government’s attitude to simply leave it to the market to fix the problem has come at considerable long term cost to the national economy and to the individual financial and social cost of many hundreds of thousands of Australian families.

This is why housing affordability has been given a very high priority by the Rudd government. After years of neglect by the Howard government this is not a problem that is going to be easily or quickly fixed.

The National Rental Affordability Scheme is a key part of the government’s $2.2 billion affordable housing package. The initiatives contained in this package will increase the supply of affordable rental homes, help people save for their first home, lower housing infrastructure costs and build new homes for homeless Australians.

The Rudd government’s National Rental Affordability Scheme has been structured so as to encourage large scale private investment in rental housing for low and moderate income earners. This is something that for far too long has been sadly lacking in Australia’s private rental market.

The National Rental Affordability Scheme will create up to 50,000 new rental properties across Australia at a cost of $623 million in the first four years.

Importantly the scheme will offer institutional investors and other eligible bodies annual rental incentives every year for 10 years, provided the conditions of the scheme continue to be met.

The Rudd government’s National Rental Affordability Scheme is a long term scheme for a long term purpose.
The incentives in the scheme are made up of a Commonwealth contribution of $6,000 per dwelling per year and a state or territory contribution in the form of direct financial support or in kind contribution to the value of $2,000 per dwelling per year.

Incentives will be indexed to the rental component of the consumer price index.

The scheme is deliberately targeted at low and moderate income households.

Incentives are only available to providers on condition that dwellings are rented to low and moderate income households at 20 per cent below the market rate.

The Minister has estimated 1.5 million households will be eligible for tenancies under the scheme, including entry level police officers and teachers, carers, apprentices, cleaners, hospitality staff and childcare workers, for example.

The priorities listed by the Minister are backed by the findings of a study of occupations particularly affected by housing stress. This study was conducted and published by the Australian Housing and Urban Research Institute in 2006.

The study found that the occupations with the highest incidences of housing stress were hospitality workers (27 per cent), sales assistants (19 per cent), cleaners, carers and aides (16 per cent). As well researchers from the Australian Housing and Urban Research Institute found that over 16,000 households with road, rail and transport drivers were experiencing housing affordability problems.

While these occupations are predominately low paid, they perform essential functions in today’s society. However there are now many instances where the supply of people required to undertake these important functions is being compromised because of a shortage of affordable housing in required locations.

The Minister in introducing the bill in the other place acknowledged, on behalf of the government, the efforts of the National Housing Affordability Summit group which, over the last four years, has helped develop the idea on which the scheme is based.

In this regard it is important to recognise that the Summit group is a coalition of the Housing Industry Association, the Australian Council of Trade Unions, the Australian Council of Social Services, National Shelter and the Community Housing Federation of Australia.

In short the National Rental Affordability Scheme has been a collaborative effort and has engaged the advice and support of a wide range of stakeholders.

The scheme provides a new opportunity for all levels of government, the business sector and not-for-profit organisations to work together to increase the supply of rental housing for low and moderate income households.

In evidence given to the Senate Standing Committee on Community Affairs at hearings held in Canberra on Thursday 6 November 2008 in reference to the Senate inquiry into the National Rental Affordability Bill 2008 the Chair of the National Affordable Housing Summit, Professor Julian Disney had this to say:

“The first thing to say very strongly is that we greatly welcome this scheme. It is something that we think is a very high priority and a very important initiative, but it will take time to deliver. This is a major long-term change.

In our view, many of its greatest benefits will be seen 10 years or more out from now. It is achieving a substantial readjustment in the range of resources and the effectiveness to which they can be put to address problems of low-rent housing.”

Also at the Senate committee hearing were senior executives from the Housing Industry Association.

On the same day, Mr Christopher Lamont, Chief Executive of Policy with the Housing Industry Association stated to the committee:

“HIA welcomes the commitment of the Australian government’s aim to increase the supply of affordable housing. The National Rental Affordability Scheme is one of the most innovative measures we have seen in recent times to encourage institutional investment and increase the supply of affordable rental accommodation for the private rental market”.

These are powerful and ringing endorsements from the Chair of the National Housing Affordability Summit and from the Housing Industry Association.

Mr Lamont from the HIA went on to say:

“It is clear from HIA’s perspective that without an increase in government spending and/or additional incentives for investment in new affordable residential accommodation the incidence of rental stress and homelessness will surely increase.

Insufficient housing supply necessary to meet growing demand, a consequence of Australia’s rapidly expanding migration program, and household formation rates, will put further pressure on existing public, community and private rental housing stock and emphasises the importance of housing supply measures.”

You have to ask yourself if these facts where obvious to Australia’s leading housing industry body, located less than 2 kilometres from the Australian Parliament, why weren’t they obvious to the Howard Government.

The Minister is to be congratulated for bringing forward this scheme so quickly. I commend the bill to the Senate.

Senator XENOPHON (South Australia) (12.48 pm)—The incorporated speech read as follows—

I will be supporting both the National Rental Affordability Scheme Bill 2008 and National Rental Affordability Scheme (Consequential Amendments) Bill 2008.

These bills aim to stimulate private investment in the low to medium income rental market. They are intended to help people on lower incomes, or in the early stages of their professional careers, to afford rental accommodation and possibly make the transition to future home ownership.

More specifically, these bills will enable entities participating in the Scheme to claim a refundable tax offset in their annual tax return, or through lodgement of an application by not-for-profit entities. Importantly, the bill has the support of the states and ensures state and territory contributions, either through cash or in-kind.

I am conscious that these bills have been the subject of a Community Affairs Committee report and do not wish to replicate in detail the contributions contained therein. However, I do wish to put on record a number of matters that I
believe must be addressed for the viability and affordability of housing development in the future.

Whilst I welcome what is proposed in these measures, the magnitude of the problem must not be underestimated. According to Demographia, a demographic research organisation, Australian urban markets have one of the worst levels of housing affordability compared with nations such as the UK, the US, Canada and Ireland.

A January 2008 survey found that Australian’s pay on average 6.3 times household annual earnings. In contrast, the UK’s average is 5.5 times, Ireland is 4.7 times, the US is 3.6 times and Canada just 3.1.

Acting Deputy President, I believe one of the keys to creating more affordable housing in this country will have to be a wholesale revamping of planning laws.

It is getting too hard, too complex and too costly to build affordable housing in Australia.

A key to affordable housing is to tackle the myriad of red tape and myopic restrictions dealing with planning laws. These restrictions delay much needed projects, creating a shortage of housing which is driving prices up. The Commonwealth can play a key role in dragging local and state governments into the 21st Century on this issue.

And we’re not just facing a shortage of dwellings.

I believe there is also a shortage of vision.

In Paris, in New York, in many of the world’s great cities, families live in the city.

City buildings aren’t just workplaces, they’re also living spaces and planning laws accommodate this.

In my home town of Adelaide at the end of World War II, about 46,000 people lived in the city area that was known as the ‘square mile’.

Life was good.

These families made great use of the parklands all around the CBD, and none of them contributed to urban sprawl.

Fast forward six decades and the number of people living in the City of Adelaide has more than halved to around 22,000 people.

Earlier this year I spoke to the Mayor of Adelaide, Michael Harbison, about Adelaide City Council’s plans to increase the population in town back to WWII levels.

And whilst I endorse this initiative I also ask, why can’t we go further? Why not aim for 100,000 people living in the CBD?

Why does Adelaide have height restrictions on construction that keep buildings low and the cost of buildings high?

More has to be done, because right now we are failing homeowners and potential homeowners and the Great Australian Dream must not be allowed to become an unattainable pipe dream.

With these things in mind, I indicate my support for these two bills.

We are failing homeowners and potential homeowners and tragically the Great Australian Dream is becoming little more than an unattainable pipe dream.

**Senator WORTLEY** (South Australia) *(12.48 pm)*—The incorporated speech read as follows—

I welcome the opportunity to contribute to the discussion on the National Rental Affordability Scheme Bill.

The Government’s housing initiatives, among which is the National Rental Affordability Scheme we are discussing today, are significant and will have considerable impact on many in our community.

The Rudd Government is delivering on the promises it made prior to, and since the election 12 months ago today.

As we all know, our predecessors squandered that trust and confidence over twelve long years.

Let us not forget, among so many other examples, lack of action on climate change, the no-choice WorkChoices legislation, non-core promises, Tampa, children overboard, the savaging of education and training programs, disinvestment in infrastructure to the detriment of our economy, and the slashing of funds to the States under the Commonwealth-State Housing Agreement.

And it is this last example of the former government’s casual disregard, that so resonates today, as we discuss the National Rental Affordability Scheme Bill.

That phrase ‘working Australians have never been better off’ sounds very hollow, now. Very hollow indeed, and very arrogant too when we consider the plight of so many, as a direct result of the former government’s housing policies.

When speaking earlier in this session about the First Home Saver Accounts, I reflected on the deep importance of housing in our lives. Those remarks were made in the context of home ownership, but are quite universal in a sense when it comes to the hierarchy of need.

I said on that occasion that 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 part of the way we want our children to live, too. Communities of people living in houses share the advantages of stability, inclusion and social cohesion.

The availability of affordable housing impacts at the most basic level on a person’s ability to access work, education or training opportunities.

Regions and cities where jobs are more plentiful generally have high house prices and high rental rates.

Poor housing can obviously affect a person’s health, wellbeing, and ability to provide for a family.

The Government’s $2.2 billion affordable housing package will assist Australians to share the advantages of stable, secure housing.

To access affordable rental accommodation.

To save for their first home.

To decrease the cost of housing infrastructure.

And to provide new homes for the homeless.

It’s the first of these - affordable rental accommodation - that we’re here to talk about today.

It is truly shocking to find that 1.1 million Australian households are experiencing housing stress, meaning that they pay more than 30 per cent of their gross income on recurring housing costs.

And of these households, nearly two-thirds or 700,000 households are renters – many of whom are low- to middle-income earners.
Many of these people are experiencing housing stress to an extraordinary degree. Not only is there insufficient stock – BIS Shrapnel has estimated that at the end of June this year Australia’s housing stock was about 56,000 homes - less then the number required – but rents in the private sector are growing ever higher.

I believe that rental vacancies in most capital cities are now at two per cent or less. This is unprecedented.

For many, it’s a struggle for people to keep a roof over their families’ heads and food on the table.

Not to mention clothing, power, school and transport expenses, health requirements… we are all well aware of that lengthy list.

The situation may well have been different for people on low- to middle-incomes had the Howard government not slashed funds to the States under the Commonwealth-State Housing Agreement.

But Labor is acting to fill the breach. Labor will keep its compact with the electorate.

Some of the key features of the National Rental Affordability Scheme are as follows:

Institutional investors and other eligible entities will be offered an annual incentive for up to ten years as long as certain conditions continue to be met.

These conditions include the meeting of an income test by a prospective tenant, and that the rent is set at least 20 per cent below the market rate.

The value of the incentive will initially be $6,000 per dwelling annually, and the incentive may be exemption of capital gains from tax; a tax offset or payment to the investor, and/or the non-assessability for tax purposes of contributions to the investor by the relevant State or Territory.

Where the investor is liable to pay tax, the tax offset would apply.

If the investor is not liable to pay tax - an example would be a not-for-profit housing body - a Commonwealth payment would apply.

State or Territory governments will also contribute an annual incentive by way of financial or in-kind support, the value of which will be $2,000 per dwelling annually for up to ten years.

Both Commonwealth and State or Territory contributions will be indexed to the rental component of the CPI.

Also involved will be the not-for-profit charitable sector, which knows at first hand how difficult circumstances are for many in our community.

And significantly, this legislation will operate retrospectively, with eligibility to be acknowledged from as early as 1 July 2008.

The National Rental Affordability Scheme is an innovative plan which will assist those in need – low- to middle-income young people and families, those saving for a deposit for their own home (many via the First Home Savers Account initiative), age and disability pensioners, those on public housing waiting lists and, so importantly, those 100,000 who have no home at all.

It represents an opportunity for truly co-operative collaboration between investors, developers, all tiers of government, not-for-profit organisations and others in the welfare sector.

Significantly, this bill provides for the making of the Scheme by regulations, which will confer the necessary flexibility to manage a number of variables including the mechanism for the determination of market rent, eligibility criteria, tenancy tenure, and acquittal and other reporting requirements.

And of course, review provisions will apply so that the measures I’ve outlined can be evaluated. We intend to ensure that resources are being consistently targeted towards those in our community who are experiencing housing stress.

The Rudd Government has moved quickly and decisively to address housing problems, including rental affordability.

The Rudd Government’s reform program follows many years of neglect and disinterest by our predecessors.

The principles on which our package of interconnected, coherent reforms is based are fourfold:

- security for working families,
- adhering to our commitments,
- investment for the future and
- fiscal responsibility.

The bill we discuss today goes directly to these principles.

It looks towards security for working families – not only those who will find reasonably-priced, secure rental accommodation through the scheme, but also those many thousands of Australians who will be directly employed in the building sector.

It will give security through work to those many thousands more who will be indirectly employed as a result, providing materials, other goods, and services to those building, equipping, residing and provisioning those new dwellings.

Building houses stimulates the economy in so many ways, and that’s exactly what is required in the present global climate.

It adheres to the commitments made in consultation over many months with an enormous array of stakeholders, from the Housing Industry Association, the ACTU, ACOSS, National Shelter and the Community Housing Federation of Australia to representatives of welfare and charity organisations and numerous other groups and individuals.

It represents, clearly, investment for the future.

For the future Labor envisages in its every grassroots meeting, its every industry consultation, its every policy initiative, its every new piece of legislation.

It is economically responsible, and has been formulated so as to ensure that all Australians have access to basic accommodation regardless of income and circumstance.

This is the least we can do for our fellow Australians.

As I’ve said before in this place, the Rudd Labor Government is determined to act on this country’s needs now and for the future, and the measures outlined in the bill truly represent that determination.

Senator MOORE (Queensland) (12.48 pm)—There is widespread support for and commonality of enthusiasm about moving forward with the National Rental Affordability Scheme Bill 2008 and the related bill. I will be reporting, in the same way that many of the previous speakers in this debate have done, about the horror of the situation in our country at the moment around the need for affordable housing—and I am us—
ing that word quite deliberately; it is a horror. The figures are before us. We have heard about it in a range of committees—certainly in the inquiry of the Senate Select Committee on Housing Affordability in Australia earlier this year. Whilst it was not a particular point in the terms of reference of that inquiry, the issue of rental housing in our country—that is, the growing need for affordable rental housing and the need for a response—came up over and over in public evidence and submissions to the inquiry in every state of Australia.

And it was not just that inquiry. I refer also to the Senate committee inquiry on poverty that was held several years ago, from which we have a longstanding report in this place. A full chapter in the report on poverty in our community was dedicated to the issue of available rental housing across Australia. Horrific stories are on record. I am not going to repeat them because, when we have figures that talk about 1.1 million low- and moderate-income households in housing stress in December 2007 and nearly 7,000 families now spending more than 30 per cent of their limited incomes just to pay rent, we are not talking about mortgages; we are talking about people needing to pay rent for shelter. Behind each of those figures we have stories on record that indicate the ongoing impact on our families and communities, and what consistently has been brought out is that so many other social problems with which our community is struggling can be traced back to the issue of appropriate housing.

The bill we have before us is not automatically going to solve all of those issues. It does not purport to do so—in fact, the government has consistently been saying that there needs to be a wide-ranging response to the issue of effective housing within our community—but it is one step towards a response. Through the very short inquiry of the Standing Committee on Community Affairs into the National Rental Affordability Scheme earlier this month, as referred to by Senator Ludlam, we heard a message to everyone that something needs to be done. It had reached the point of urgency and, more important than the need for urgency, there was a degree of hope and enthusiasm that something could be achieved.

The proposal before us has, I think, a number of elements to it, but the one that is most important to me is that this is a cooperative response to an issue. We have a response that includes two levels of government—state and federal—signing up to a long-term process and picking up the essential element, which I believe is the community housing sector. Senator Ludlam has already pointed out the role that this sector has played in our community over many years. This is something that we have heard about through a number of inquiries. What the community housing sector has been effectively doing for many years is operating in a professional, inclusive and community focused way in the area of providing housing. It is now part of a cooperative response looking at how we can move forward in this area. I think that is one small step to ensuring that we will have a structured, forward-thinking process around a community problem which has been be-devilling our community for many years.

The Senate community affairs committee heard from a number of people who have been feeding their information into issues about housing for many years. I want to stress the sense of urgency that came through in the evidence. In our report we quoted from Mr Adam Farrar from the New South Wales Federation of Housing Associations, who said:

The introduction of NRAS responds to an absolutely critical need … we still have a significant undersupply problem, and so supply initiatives are very important, and that is one of the things that is so welcome about NRAS.

He went on to say—and once again I stress the urgency of the process:

I do want to stress that it is absolutely essential that the process that has begun isn't delayed. Our members have been very active in taking up the opportunity, but that does mean entering into agreements, going out and identifying opportunities, to acquire land, to acquire new properties to bring into the marketplace, and they are very concerned that those opportunities will be lost if there is any greater delay.

For a number of years now we have been focusing on leading up to a solution. We have had the National Housing Affordability Summit. When this government were in the electoral process, just over 12 months ago, one of the key planks of our election promises was that we would move forward not just in the area of providing permanent housing but also in looking at the very real need in the area of rental housing. So the National Rental Affordability Scheme fulfils one of our election promises. Perhaps 'fulfil' is the wrong verb because fulfilling in itself is not what this particular piece of legislation will achieve. It is a step towards a response to the need.

We have had a number of papers out in the community and a large-scale consultation process—which has been not just going out and telling people what is going to occur but, more importantly, engaging those people in suggesting what responses should be taken. Core elements of the policy that is before us have come through that consultation. They have not been determined in isolation. They have not been imposed. They are responsive to the needs that were identified and to the clear demand that the response not be reliant on just one sector taking up their responsibilities. This is significant enough and widespread enough—and it is certainly across all elements of Australian states—that it must engage at least state and federal governments and the community housing organisations but must also, over the longer term, draw more and more people into looking at the solution.
As we have already heard today, one of the key sticking points—and the element that took up the most discussion during the committee’s inquiry—was the issue of charitable status. It is genuinely regrettable that it took so long to have a response come forward and that that took up so much of the important time for discussion. Nonetheless, we do have an immediate response in that this legislation provides first-round certainty for people as they engage in the process. But it also highlights the particular difficulties in our community around issues of investment and the status of charitable organisations. That has been for many years a genuine obstacle to these incredibly knowledgeable, experienced and intellectually strong organisations taking part in elements around economic development—that is, because of the concerns about exactly how they will be handled under the taxation processes. That was highlighted very clearly in the submissions that came before our committee. The response that we have had from the Treasurer indicates that the issue has been acknowledged and will, I think, be part of the ongoing process of looking at the whole area of taxation in our community. In fact, that is where it should be. It should not be tacked on the outside or be some sort of side issue; it should be a core element of how we as a community look at how people operate within our taxation system.

Most important whenever we are talking about effective social policy is the strength of the review process. Throughout the debate that has been going on for the last few months about how this scheme will operate there has been a strong, consistent commitment from the government to an independent review of how the whole program is working over a two-year process. That will allow a number of stages of the scheme to be implemented. It will give people an opportunity to see exactly how it is operating. It will also give the independent reviewers the opportunity to see the impact of this legislation across our whole community. There is a genuine belief that there is not a one-size-fits-all model that can be imposed in any part of this community process.

We must have an acknowledgement that there are serious issues of public housing and a shortage of available housing everywhere in Australia. In fact, one thing we looked at during the Senate housing committee hearings and in the recent discussions around this process was whether there is a place anywhere in this country where there is a surplus of housing. So far we have not identified anywhere. Across all parts of my state, Queensland—and it has been exacerbated recently with the storm damage that has occurred—there continue to be immediate shortages. Other senators in this debate have pointed out the difference between the obvious need to provide effective housing and what is available at this moment. There needs to be a flexible response. I note Senator Ludlam earlier spoke of an ‘adaptive’ process. I quite like that adjective. I had not heard it before. I might start using it quite regularly. We must not be too tightly constrained into any particular process; we must engage people across the industry. I know that the various construction and investment groups and the retail housing organisations have all been part of the debate around where we will be able to go.

We also need to engage the people within the state and federal governments with what is going on and also engage with the community. Down the track another player that will be increasingly engaged in our responses across the board in the area of housing will be the massive local government network. Whilst they do not have an immediate role in this piece of legislation, I think it would be inappropriate to talk about any issue to do with housing in this country unless we ensured that we had people from the three levels of government being engaged and active in the process to see exactly where they could fit it.

Once again, if we continue to segment, divide and marginalise the people who are involved, we will get back to a competitive process, which does not meet the needs that have been clearly pointed out through discussions at the summit and through discussions with the various people who gave evidence to our committee, who consistently looked at some form of hope that this piece of legislation was going to provide, not just the subsidy. The investment of $623 million over the first four years to create 50,000 affordable rental properties is a significant investment but, considering the issues we are facing and the demand that we have, it is very clear that it is not going to meet the full demand.

Given that this is going to be the first step in a staged process, it was particularly encouraging to hear the real commitment and sense of hope from the people who came before our committee. Professor Julian Disney, who has been active in this debate not just over the last two or three years but over many years, spoke on the issues of homelessness and the difficulty in translating between being able to rent or being able to buy. And there is also real acknowledgement that for a large number of our community long-term, lifelong rental is a reality. It is something that needs to be acknowledged and not seen as a lesser, or a somehow punitive or negative aspect of housing. One of the things that came forward in our committee on housing affordability earlier this year was evidence from a number of people who felt that over many years in this country there has been almost a labelling of people who are reliant on rental housing. That has led to a sense of them not being part of the whole process of living in our Australian community. One thing that the National Rental Affordability Scheme brings forward is an acknowledgement that there are many people in our community who will be renting. It is a genuine process.
of obtaining real shelter and it is something that they have a right to—effective, affordable and available housing in their own communities.

I take the point that Senator Payne raised earlier in the debate, which is that there needs to be consistent planning of where these projects are to be activated and that, once again, we are not in any sense creating marginalised areas where people are forced to live. This is a process of engagement and of effective community building, and we should be very wary of any concerns or fears that these developments would be available only in fringe areas. Again, that would need to be part of any ongoing review of the process.

We know that there is a real expectation in the community that the government will move forward with the promises made during the election about addressing the issues of housing in this country. We know that there is an expectation among the community that their voices will be heard. We see the National Rental Affordability Scheme Bill as a step towards a response to the need that has been clearly put before us over a long period. We know that there are issues around how the scheme will be implemented that can only be addressed and reviewed as the scheme is put into place. That is why it is so important that the review is constantly in front of us as we move forward.

We cannot delay. I think there is a real opportunity in the process because, as I said, when you see the commitment that has been expressed by people from all levels—people within governments, people within the housing community and people within the social research area, who have been working on the issues in our community for many years—there is a challenge to which the government must respond. We must now implement the scheme, ensure that people’s expectations are balanced as we work through it and ensure that we genuinely respond to the voices that have said this is an issue we cannot ignore. I think that the various issues that have been brought forward, both in the committee reporting stage and in the various discussions that have been going on, have worth. There is a real need for those issues to be considered when we are moving forward with the legislation.

I am reminded, when I think about the people who came before our committee, that it is time for action. We have talked about this for a long time and while we were sitting in our committee hearings we knew that across the community there were numerous families struggling with how they were going to find affordable rental accommodation for themselves for the next period of time. It is always a particularly difficult time as we lead up to Christmas, as any of the social welfare agencies will tell you.

One of the key issues that we hear about is effective accommodation. The statistics show us that rental prices have been soaring in every capital city and in most regional places as well. This scheme is not restricted to various locations. There is a real opportunity for this scheme to be operational in many regional centres as well as in major centres. I think that it is something that we have a responsibility to work with into the future.

As we move forward the other important thing must be to continue the engagement with the people who are the most affected by the process. We have set up various consultative bodies to ensure that that will happen. Certainly, having the scheme involve government and the community sector is a positive point and an opportunity for us to work together. But as we move forward it is most important that, through this scheme, we also encourage those people who have ideas and who are involved in the process to continue to contribute to our social policy.

As Julian Disney said during our inquiry, and as a number of people have said in the debate so far, ‘This is a step towards achieving a solution.’ How effectively we succeed will rely on how open we are to working with people who are prepared to continue to give advice, to give information and to ensure that the issue of homelessness does not fall off the agenda—that it is not seen as a one-off step but acknowledged as one step towards achieving good public policy in an area that has been suffering for way too long.

Senator FEENEY (Victoria) (1.07 pm)—I rise to support the National Rental Affordability Scheme Bill 2008, a bill designed to assist some of the millions of Australians who, whether out of choice or necessity, depend on the private rental housing market for affordable housing. The purpose of this bill is to establish the National Rental Affordability Scheme, to encourage private investment in rental housing by offering an incentive to participants. It aims to increase the supply of affordable rental dwellings and reduce rental costs for low- and moderate-income households. The scheme will offer incentives to providers of new dwellings on the condition that they are rented to low- and moderate-income households at 20 per cent below market rates. The bill provides for a refundable tax offset or payment to the value of $6,000 per dwelling per year, provided there is also a state or territory contribution in the form of direct financial support or an in-kind contribution to the value of $2,000 per dwelling per year. The incentive will be provided each year for 10 years to complying participants and will be indexed in line with the rental component of the consumer price index. The scheme is estimated to cost $622.6 million over the coming four years.

The modelling that underlies the bill calculates that the provision of these incentives will lead to the construction of approximately 50,000 additional new rental units by 2012. Since it is a condition of participation in the scheme that these units must be rented to...
people on below average earnings and at a rent below current market levels, the scheme is targeted at those who need it most. The construction of these 50,000 units will serve to reduce pressure in the rental market and help restrain the rise in rents. The scheme will thus make a contribution to housing affordability across the board and indeed, hopefully, across the nation.

This bill will be widely welcomed by the Australian community, particularly by middle- and low-income people such as those I represent in Victoria. It is part of the Rudd government’s commitment, foreshadowed during last year’s election campaign, to ensuring that the benefits of the long period of economic growth and prosperity that Australia enjoyed following the economic reforms of the Hawke-Keating governments are now equitably shared by all Australians. It may be that, as a result of the global financial crisis—GFC, as it now seems to be known to us all—triggered by policy failures in the United States, those years of growth may be coming to an end. I certainly hope not and know that the Prime Minister and the Treasurer are doing everything they can to ensure that Australia does not go into a phase of negative growth. They will be helped by the burst of confidence that the election of Barack Obama as President of the United States of America will cause and also by the massive stimulus package of $850 billion, the largest in history, announced recently by the Chinese government.

Australia’s efforts to avoid recession will not, however, be helped by the obstructionism of those senators opposite who appear determined to block key elements of the Rudd government’s budget, thus making it more difficult to keep the budget in surplus and the growth rate of our nation positive. We know what the Australian people think of the negativity and obstructionism of the opposition. The recent Newspoll showed that Mr Turnbull was the preferred Prime Minister by a mere 22 per cent of voters, down from 25 per cent only some two weeks previously. Mr Turnbull’s approval rating is now nearly as bad as that of Dr Nelson at the time that the Liberals dropped him as their leader. That has been the reward for two months of irrelevance and obstructionism by Mr Turnbull. All I can say is: keep up the good work! It is left to us on this side of the parliament to do the hard work necessary to ensure Australia’s economic future. That will no doubt involve some difficult decisions on spending and some difficult decisions on priorities. But this government, true to the traditions of Labor, will make sure that the burden of these uncertain times will not be allowed to fall entirely upon those least able to bear it. We will do everything in our power to protect low-income Australians and we will continue to ensure that our policies reinforce and build social solidarity and cohesiveness rather than undermine it. That is why this bill is so important.

As population and employment have grown, the provision of affordable rental housing has not kept up. With house prices in the capital cities booming, investment has gone into booming inner city apartment towers, often for those with better incomes than the average, and new homes in the suburbs for private buyers. As a consequence, there has not been sufficient investment in rental housing for those on average or below average incomes, and that is particularly acute in regional areas. The phenomenon I have just described is quite understandable—investments go where the profits are likely to be the greatest—but when this kind of phenomenon occurs it is the duty of government to intervene to ensure that everyone shares in the benefits of prosperity. Market failure is not a figment of our imagination.

The failure of the Howard government to see the benefits of economic growth flow to all Australians, not just to those who are already well off, means that large numbers of people are struggling to find and keep affordable housing. The Howard government coasted on the back of economic growth, assuming that the market could take care of all problems and that everything would be fine as long as the people they represented were doing well. So, while housing prices in Sydney, Melbourne and Perth, to name just three, have doubled and doubled again, making millionaires out of some of the people who inhabited them, in the rest of Australia rents have risen sharply and the availability of rental housing has fallen, and fallen dramatically.

Between 2000 and 2005 the average price of a home in Australia’s capital cities increased by an extraordinary 170 per cent. Not surprisingly, many young families, who in the past would have been buying a new home, are now unable to do so and they are staying in the rental market. We can see the increasing strain on the budgets of middle- and lower income Australians caused by rising housing costs when we look at the Housing Industry Association’s housing affordability index. In December 2001 the median house price was $210,100 and average monthly repayment was $1,049, which meant that the repayment-to-income index was at 14.6 per cent. Between 2001 and 2007, under the stewardship of the Howard government, there was a dramatic fall in housing affordability. By March this year the median house price was $425,600 and the average monthly repayment was $2,799. The repayment-to-income index had grown to 29.1 per cent. The index had thus more than doubled since 2001. The effect of this has been to push large numbers of young, hopeful homebuyers out of the market, forcing them to pay rent. That is why Mr Harley Dale, the Chief Economist of the Housing Industry Association, warned the Howard government in 2007:

This situation for new home building will in turn sustain the current problems of struggling aspiring home buyers and tightening rental markets.
The Howard government ignored that warning, as it ignored so many other warnings on so many other issues. Mr Dale was of course quite right: the high interest rates and increasing unaffordability of housing under the Howard government has indeed flowed through to the rental market. Between 1995 and 2005 the total number of rental households increased from 1.5 million in 1995 to an incredible 2.1 million. This increased demand has kept rental vacancy rates very low and has pushed up rents across all of the capital cities and in many regional centres. In the June quarter of 2008, rents across Australia increased by 2.2 per cent in the quarter, the largest quarterly rise since 1989. The increase for the whole of 2008 is expected to be 7.7 per cent. This is, of course, higher than the rate of growth of average weekly earnings and higher than the rate of inflation. Rents overall are now, on average, 60 per cent higher than they were in 1990. This is a very significant problem for working families living on average or below average incomes, trying to raise a family, to juggle work and family and to send kids to school, all the while paying a quarter or even a third of their income on rent.

The Rudd government understands this and the previous government did not. That is why Kevin Rudd announced during the election campaign that he would make housing affordability, particularly for renters, a key priority for a new Labor government. That is also why Kevin Rudd, together with Wayne Swan and Tanya Plibersek, held a housing affordability summit before the election, meeting with economists, developers and industry representatives to hear ideas and develop real solutions.

This year, a study by the National Centre for Social and Economic Modelling found that rental stress was affecting an increasing proportion of Australians. The definition of rental stress is when households have to spend more than 30 per cent of their income on rent. This study found that nearly 300,000 Australian households, more than 10 per cent of the total number of households in rental accommodation, are already suffering from rental stress. That means that about 750,000 people are living in households affected by rental stress. The centre estimates that this number will continue to increase sharply unless there is firm leadership from government to address this very real shortage of rental housing.

Rental stress contributes to a number of other very real and damaging social problems: substance abuse, child neglect and abuse, poor school retention rates, homelessness and rising crime. The notion that these problems are interconnected is of course not new. They all impose costs, social and financial, on the community as a whole. It is the responsibility of government to see that this scenario is prevented. I do not think that the Howard government, with its focus on growth as the solution to all problems and its faith that the market will always provide what the community needs, understood this. The Rudd government does and it understands the need for a constructive role for government in tackling housing problems and the other very real problems that Australia faces.

It may be that, as economic growth slows and house prices begin to come down, some of this pressure will begin to moderate. But the backlog of demand for rental housing is so high and the rate of construction of new rental units for middle- and low-income earners so slow that it will take a long time for the hundreds of thousands of Australians currently suffering from rental stress to gain any tangible benefit. So action by the federal government to help stimulate growth in the supply of rental housing remains timely and necessary.

This bill does not try to impose a government solution on the housing industry. We do not believe it is the role of the state to provide housing for the entire population. We want to see the private housing industry build the houses and flats that people want. But we acknowledge that at present the incentives provided by the market are not producing enough investment in rental housing for average income and low-income working families. That is a fact and that is why this bill is so important.

This bill is part of the government’s overall housing strategy, which includes $2.2 billion worth of housing commitments made in this year’s budget. Much of the pressure on the rental housing market has been caused by young Australians being pushed out of home ownership by the 10 rises in interest rates under the previous government. Hundreds of thousands of young Australian families who would like to start saving for and buying their own homes have not been able to do so because of skyrocketing house prices and high interest rates.

One of the proposals that came out of the housing affordability summit was the Housing Affordability Fund. The fund tackles two major impediments to housing supply: costs that result from planning delays and the impact of infrastructure charges. The fund will give local councils the chance to improve housing affordability in their communities. The fund has been welcomed by local government and the housing industry. Mr Wilhelm Harnisch, the Chief Executive Officer of Master Builders Australia, said:

The HAF is a welcome return of the Commonwealth into this vital part of the Australian social fabric and the economy. There has been a decade of policy neglect in addressing the supply side barriers and the HAF is supported by industry as a first and vital step in redressing this area of policy neglect.

It is pretty extraordinary that a leader of the private housing industry, not known in the past for its enthusiasm for the Labor Party, should make such a scathing
assessment of the record of the Howard government. Let me repeat: he summed up the record of those opposite as ‘a decade of policy neglect’. That is the verdict of someone who has worked intimately in this area of public policy and this area of the market.

The Rudd government has a mandate to tackle the problem of housing affordability, and since last November the government has taken that mandate seriously and has delivered on its commitments. I am very proud to be part of a government that is delivering on its commitments; a government that is keeping its promises. I remind those opposite that the Howard government did not even have a housing minister. I do not know whose responsibility this issue even was under the previous government, but I suspect the answer is that it was none of them. Now, at least, the opposition has a shadow minister for housing. That person, I discover, is Mr Scott Morrison, the member for Cook, who was only elected to parliament last November. I am not, of course, being critical of him—I am, after all, a newbie myself—but it does show what little priority has been given to this area of policy and to the issue of solving the housing crisis left to the nation as a result of a decade of policy neglect. I commend the Minister for Housing for bringing in this bill, I commend the minister in her fulfilment of our election commitments. This is a government which keeps its promises, and that is why the Australian public is showing such confidence in this government and its stewardship of the economy. I commend the bill to the Senate.

Senator HUMPHRIES (Australian Capital Territory) (1.23 pm)—I am pleased to contribute to this debate on the National Rental Affordability Scheme Bill 2008 and the National Rental Affordability Scheme (Consequential Amendments) Bill 2008 and to reinforce the message that is being delivered by, I am sure, all sides of this chamber: our concern at the affordability of housing. What is important is not, however, the extent and the sincerity of our concern. What is important is the extent to which we are able, through legislation, to actually make a difference to the issue of housing affordability and housing accessibility in this country. That is the crucial test of any government on the question of housing affordability.

There is no doubt that Australia faces a serious challenge at the present time in that housing affordability is a very real problem for a large proportion of the Australian population. The solutions to that problem are not simple, however, and I think it is worth understanding a little bit about the background to that before we pass this legislation. Senator Feeney made the comment that there had been a dramatic fall in housing affordability during the later years of the previous government. He laid that problem at the foot of the previous government, suggesting that we had neglected housing policy during that time. I want to put a few facts on the table to make Senator Feeney, and others who might buy that line, think again. Firstly, during the whole of the life of the Howard government, real wages were rising in Australia. Those real wages were rising after taking into account increases in the cost of mortgages. Whilst it was getting more difficult, in many respects, to obtain affordable housing, this was not due to the fact that living standards were falling. On the contrary, living standards were rising notwithstanding the increasing cost—as a result of increasing interest rates—of mortgages.

The problem with housing affordability in Australia in the last few years has stemmed not so much from increasing demand as from the failure to deliver increased supply to keep up with that demand. If one looks at the structure of Australian government, it is obvious that the federal government does not have a great capacity to increase the supply of available land. There are some areas where opportunities exist for Australian federal governments to increase land supply, but that is very much on the margin of this problem. At the core of this problem of housing affordability in the last few years have been policies by state and territory governments to restrict the release of new land into the marketplace. As a result of such policies, that land which was released became much more expensive. Whilst returns to state and territory government coffers increased—which was no doubt part of the reason for these policies—housing affordability became an increasing problem for many people. This emphasises the fact that these problems cannot be solved at any one level of government. They must be solved at several levels of government—not only at state and territory and federal government level, but even at local government level.

In that respect I might say that one of the disappointing elements of this legislation is that we have a contribution being made by state and territory governments to this scheme which, on the face of it, is much smaller than the contribution being made by the federal government—or, if you like, by the federal taxpayer. I think it is fair to say that, in many respects, state and territory governments are being let off lightly in this arrangement. For each dwelling that becomes eligible for a subsidy under this scheme—a subsidy of $6,000 from the federal government—there is a matching subsidy required of state and territory governments of only $2,000, and even that can be delivered partly in kind rather than in cash. When one bears in mind the benefits that flow to state and territory governments in these circumstances in the areas of stamp duty and other benefits, one might say that the state and territory governments are not really doing the heavy lifting with this scheme. I may come back to that theme a little later on.

We, on this side of the chamber, do not begrudge an initiative of this kind in the attempt to deliver more
Let us even take the extent of the government’s ambitions in this area and consider how much that actually will change the landscape with respect to affordable rental housing. Let us bear in mind that next financial year it is expected that there will be a shortfall between demand and supply—of both rental housing and housing for purchase—of something like 200,000 units. This scheme, on the government’s own projections, will provide only about 10,000 new dwellings into the marketplace to address that problem, leading to an attack on the problem which could, at the best estimate of the government, only reduce the shortfall in the demand for housing by something like five per cent. So, even on the government’s own estimates, this is not going to solve the problem of unaffordable rental housing in this country.

There are other elements of this scheme which I think deserve to be carefully considered by the government and by all senators. We are confronted with a scheme where, as I mentioned, the federal government provides a subsidy of $6,000 to landlords who build new accommodation, which is contributed to by state and territory governments with a further $2,000 subsidy, so we have a subsidy of $8,000 per dwelling per year for the 10 years of the operation of the scheme. On paper, that is a very good contribution towards more affordable housing. But let us consider that the average rent in Australia at the moment is something in the order of $20,000 a year. Therefore, for a landlord to deliver a subsidy to the tenant of 20 per cent off the average rent or the rent payable for that property would, on average, contribute a benefit to the tenant of $4,000 per year. We need to ask ourselves: are we getting the best value for money for the Australian taxpayer by handing over to a landlord a flat benefit of $8,000 per year to deliver to the tenant an average benefit of only $4,000 a year? Some people might say: is it not better to deliver, or is there some way of delivering, that $8,000 benefit directly to the tenant so that there is greater capacity on their part to afford housing in a tight market?

The government’s response to that problem has been that we need to make a much larger subsidy to the landlord than he or she delivers to the tenant in order to encourage the building of new housing in the marketplace. That may or may not be true, but it depends very largely on whether or not the economics of this proposition actually work. The Senate Standing Committee on Community Affairs, which conducted the inquiry into this legislation, heard evidence that bodies such as the residential property council have highlighted that certain minimum passing yields would need to be achieved before it would be an attractive proposition for landlords to build and then take advantage of the subsidy available under this scheme and that the passing yields projected by the architects of NRAS, the National Rental Affordability Scheme, were actually lower than the minimum that the residential property council speculated would need to be provided.

The committee did hear that there was substantial interest in the scheme on the part of landlords, and we welcome that fact. It is appropriate for builders and others to be interested in making the scheme work and participating in it. But, if those figures from the residential property council, representing property owners in this country, are indeed accurate, there may be a significant problem with buying into this scheme. It is already clear from the evidence presented to the committee that the government is expecting a very small buy-in—directly, at least—by not-for-profit organisations. I think the figures suggested to the committee were that about half of the subsidies provided in the first year of the scheme’s operation would be coming from the not-for-profit sector and it was anticipated that that would fall over the life of the scheme. So it is important that the propositions on which this scheme is based are financially viable and that they do stack up in the eyes of the private sector. It is not at all clear at this point whether they do or they do not.

What is also concerning is that we do not have any evidence available to us about the broader impact on the housing market of this scheme. There is no economic modelling on the operation of the scheme, and that does give rise to some concerns. For example, if we have a particular community where there is a relatively modest shortfall of supply over demand, and if the scheme is used to deliver a number of dwellings which more or less meet that shortfall and you then find existing landlords in the marketplace whose capacity to rent their properties is compromised because the next-door property receives a subsidy of $8,000 a year which their property does not, do we run the risk that some existing operators may choose to pull out of the marketplace because they are not eligible for a subsidy? Perhaps that is not a widespread problem, but, frankly, no-one can be sure about that because there has been no modelling done on the operation of the scheme.

What difference it makes in particular communities as to how the scheme is delivered will depend a lot, of course, on where the scheme is actually rolled out—where projects are approved. Senator Payne made reference in her remarks to the way in which the scheme will be delivered as being a very important part of whether it works or it does not. I would prefer to have seen some indication of how it would affect existing...
operators. That was not available to the committee. We are also aware that those with existing accommodation cannot move their accommodation into the scheme—say, by conversions of certain sorts, which can only occur in certain circumstances—and that is also a matter of concern.

We are also concerned with the fact that the subsidy is a flat subsidy. It is $8,000 for everybody. If you are building in a particular marketplace where the rental is low, then the subsidy you have to deliver to your tenant in order to attract the government subsidy is relatively small, but the size of your benefit from the government remains the same. That might have the effect—unless the government is able to prevent that occurring by the way in which it rolls out the scheme—that in some parts of Australia we see a rush to take advantage of this arrangement where rents are relatively low but in places where housing stress is most severe, like Sydney and Melbourne, we do not see a great take-up because the extent of the subsidy that the landlord needs to deliver is about equal to the extent of the subsidy that he or she receives from the government. In those circumstances, why would a landlord want to be involved unless they had some altruistic motive?

Given that we have seen evidence that the not-for-profit sector is not anticipated to be the major player in this new scheme, particularly with the uncertainty surrounding the charitable status of not-for-profit organisations in the long term, it is important to understand what motivates players in the private sector and consider whether they will think it is attractive to invest a lot of money in a marketplace—which is under stress but in which rents are high—when they may not get a good return vis-a-vis the subsidy on their investment. Again, this is not a condemnation of the scheme; it is simply pointing out a possible weakness in it. Frankly, coalition senators would rather see a sliding scale where the level of subsidy is pitched to meet the extent of the need in a particular marketplace. I think it is inappropriate to consider that a property in, say, Mount Gambier should attract the same level of subsidy as one in inner Sydney.

I mentioned previously that I thought state and territory governments had been let off lightly under this arrangement. It is their constitutional responsibility to deliver for the housing needs of their communities, particularly when it comes to state housing schemes for those unable to afford to rent in the marketplace. They have a primary responsibility to do so, and under this scheme—on paper at least—they are lifting about a quarter of the total burden of delivering the scheme. It may be that in some cases they will do more than they are required and will provide more than the $2,000 per annum per dwelling subsidy, but I would not count on many state and territory governments being overly generous in that respect. So that is a matter of concern.

I also want to put on record a concern that the coalition senators identified as to the way in which the scheme will actually be delivered. It concerns a more technical detail but it is one that is of considerable concern to us. We are told that the legislation contains no criminal penalties. One might say that is appropriate for a scheme delivering housing benefits. But the concern that has arisen on our part is that it is up to the landlord to identify whether a tenant is eligible for the subsidy. The tenant does not go through the government to establish that fact. The landlord needs to be satisfied that the tenant falls within the particular income brackets that qualify for the benefit. If it so happens that the tenant lies to the landlord about that, it is extremely unclear as to what the consequences of that particular action might be. In fact, it appears to us that there are no circumstances in which the tenant will be prosecuted for this. The landlord may end up losing the subsidy retrospectively—and this could amount to tens of thousands of dollars over a period of time—if it transpires that the tenant was not eligible for the subsidy. But, because there is no penalty applying to the tenant for providing false information to the landlord, there is arguably no comeback against that tenant; there is possibly civil action but certainly nothing criminal.

I ask members of the government to consider whether that is a weakness in the scheme which needs to be addressed. That is quite apart from the question, if there are cases that come to the attention of the media of people rorting a scheme designed to provide accommodation to people on low incomes, of what kind of impact that might have on the way in which the public views a scheme of this kind.

Other senators have touched on the question of the status of not-for-profit organisations and whether they can continue to have charitable status and meet the NRAS criteria. I welcome the government’s decision to clarify this issue for the next two years, but I point out that this is a 10-year scheme, not a two-year scheme, and those in the not-for-profit sector participating in the scheme need to be satisfied that they can make a 10-year commitment to these things and not put their charitable status at risk.

I cannot understand why this issue was not cleared up long ago and why the government did not rush to indicate that there is no question or doubt about this and that it will provide that the not-for-profit organisations who want to be involved do not risk their charitable status under the tax legislation. But the fact that a two-year guarantee only has been provided suggests to me that the government does have serious doubts about whether it can or should do that in the longer term. If that is the case, I would not blame any not-for-profit organisation for hesitating to take on this commitment, because the cost of losing that status would be a severe
penalty to that organisation despite the benefits that they might obtain by taking part in the scheme.

I emphasise again that the opposition does not oppose a measure of the kind that would deliver more affordable housing to the Australian community, particularly rental housing. This measure is welcome in principle. But good intentions are not enough to ensure that those people in Australia who need this kind of accommodation will get it. It must be delivered in a sound and responsible way. The government has said that the scheme has great flexibility. It may need that flexibility to ensure that what we see as the weaknesses of their scheme do not bring it down. The test of this measure will be in its execution.

Senator FIELDING (Victoria—Leader of the Family First Party) (1.43 pm)—Home is a word that encompasses so much: a place to belong, somewhere safe, a haven or a refuge. But for 100,000 Australians home is a transitory thing. It is huddling in a cardboard box, sheltering in a doorway out of the rain or being bunked down on a friend’s couch with nowhere to go the next night. Home for these people is a temporary thing and does not come close to being a refuge from the world. A submission to the Senate Standing Committee on Community Affairs inquiry into the National Rental Affordability Scheme Bill 2008 quotes a homeless woman from the Women’s and Girl’s Emergency Centre. She said:

Boarding houses are expensive … dirty, men bang on your door all night, you have no rights and you can get kicked out at any time.

It is appalling that we have such a high standard of living in Australia yet we walk past people sleeping in the streets every day and think that is normal. Homeless people are invisible and in this time of economic fragility we can expect to see more and more people become part of the invisible army of the homeless. It is an indictment on us all that this is the reality for so many Australians. This is especially so when overseas studies show that it is cheaper on the public purse to make a big investment to fix homelessness by providing rental accommodation rather than allow it to just fester and create a bigger sore to mend.

The government’s plan for a National Rental Affordability Scheme was sold to the Australian public as a key component of a $2.2 billion housing package to address the chronic shortage of affordable rental homes in Australia, to help those saving for their first home and to provide homeless people with the opportunity to live in a new home. In these difficult economic times having a home to return to, a haven of refuge, is of huge importance to Australians. Not since the days of the Great Depression has it been so under threat. There are now nearly 1.1 million Australians struggling to maintain a roof over their heads, according to the statistics released by the Department of Families, Housing, Community Services and Indigenous Affairs. Further to those statistics, we are told that almost 700,000 of those 1.1 million people rent their homes and have what most of us would consider a low income, offering them few options when it comes to where they can afford to live.

Let me share some information with you. A report by the Australian Conservation Foundation and the Victorian Council of Social Services found that average rents for three-bedroom homes have jumped a massive 82 per cent compared with just 52 per cent increase in wages since 1996. At the same time properties available for rent have dropped below two per cent in all capital cities. As these renters struggle to hold onto the place they call home, the private rental market continues to squeeze and often they get forced out. Many of these people shared their fears in the submission made to the Senate inquiry. They spoke about home being a place where they could feel safe and secure but about being unable to rely on a place in the long term because of the rent hikes. They spoke about being forced out of supportive communities because of rate increases and of the only accommodation they could find being far from these vital support networks. They spoke honestly about feeling isolated and lonely. A homeless person at the Matthew Talbot Hostel was quoted in another submission to the Senate inquiry saying:

It’s hard to start over in a new place, especially when times are tough. It’s hard enough to make friends in the first place.

Earlier this year the Australian Institute of Health and Welfare released a report showing that in 2006-07 almost 70,000 children went with their parents into crisis centres for the homeless. I say that again: 70,000 children. That figure is up almost 30 per cent from the previous year. More than two-thirds of the children sleeping in crisis accommodation were under 12 years of age. The average age was just six years. Most of the school-age kids were not attending school. These are damning statistics and these statistics should make every Australian want to act to stop another child having to look at this sort of existence as any measure of home life. This is not what home should mean to anyone, particularly young Australians. These statistics demonstrate so fully that homelessness and finding decent, affordable accommodation is not just about the vital issue of shelter but also about making sure children can get to school and have a stable home life and that they have somewhere to feel safe and secure. In a report by the Melbourne 2030 auditors it was found:

For those in greatest need, the consequences of high housing costs affect not only the individuals themselves but all of us through the costs of health care, social services and declining economic viability and liveability in poor areas.

Is this what we want for our fellow Australians: a home that bears no resemblance to what we know that to mean?
The government tells us that the National Rental Affordability Scheme will help create up to 50,000 new rental properties rented to low- or moderate-income, single families at 20 per cent below market rate. The scheme is expected to cost $620 million in the first four years. It will be funded using money from participants including banks, developers, property trusts and superannuation funds, which will then receive an indexable incentive of $6,000 per dwelling per year through a fundable tax offset or payment from the federal government or a $2,000 incentive from state or territory governments provided through cash payments or in-kind financial support. The incentives will be provided each year for 10 years to large-scale investors who meet the criteria.

Family First has acknowledged for some time that the not-for-profit sector has been leading the way in caring for homeless people without much financial help. It would be extremely disappointing for this sector to be excluded from the scheme simply because of a tax loophole that compromises their charitable status. The focus here should be on providing struggling Australians with a chance to create a home in affordable rental accommodation, and the not-for-profit sector, which has supported those struggling people in the past, should not be left out of the scheme.

This plan to harness the support of industry has merits but what is critical is that these homes are constructed in areas that have adequate support networks and transport and are energy efficient. What we do not want are homes rapidly thrown together, erected in suburbs on the outer fringes without sufficient public transport, and for people to feel isolated and without support. The Rental Affordability Scheme will help many not fall into homelessness but it will do very little to help the 100,000 people who are already homeless. Family First has a plan to tackle Australia’s homelessness crisis. Having 100,000 homeless people in Australia, a prosperous nation, is a national disgrace. Of course solutions to major social problems like homelessness never cheap and there is temptation to drop them in time of financial crisis. But we have to be careful not to forget these vulnerable Australians.

Family First’s plan is a big plan to tackle this national disgrace of 100,000 homeless Australians. The big plan is a $1.5 billion plan to provide 100,000 accommodation units over five years, as well as support services like counselling, case management and employment assistance to help people get back on their feet. This can be implemented over a number of years but we should start now so that we can begin the big task of getting people off the streets and into homes. There is no way that Australia should accept the proposition that 100,000 Australians being homeless is okay. We call on the Rudd government to look at Family First’s plan—a $1.5 billion plan—to provide 100,000 units for the homeless over the next five years.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (1.53 pm)—In summing up the debate this afternoon, I thank senators for their contributions and for raising what have been some very important issues confronting the government and also thank the senators who were involved in the Senate Standing Committee on Community Affairs inquiry into the National Rental Affordability Scheme Bill 2008 and the National Rental Affordability Scheme (Consequential Amendments) Bill 2008.

These bills give legislative effect to the Australian government’s $623 million investment in the National Rental Affordability Scheme. The scheme is one element of the $2.2 billion affordable housing package that was announced by the government in the May budget, and its implementation is part of the government’s housing agenda, which is well underway. The first round of expressions of interest for the government’s $512 million Housing Affordability Fund has closed. I can advise the Senate that 91 applications have been received from around Australia. Banks have started to offer new first home saver accounts—a $1.2 billion initiative that will help aspiring home owners to save for their first home.

The government has also made changes to the first home owners grant that will provide a $1.5 billion stimulus to the housing market, helping to shore up confidence at a time of global economic turmoil. This shows that housing is central to the Rudd government’s social and economic policy agenda. Boosting housing supplies is a crucial part of responsible economic management. Access to secure and affordable housing is fundamentally important to the everyday lives of all Australians. Access to secure and affordable housing is a critical feature of our social inclusion agenda and will underpin our initiatives to address the growing homelessness in Australia that Senator Fielding just referred to.

The National Rental Affordability Scheme is the first major housing intervention in over a decade. For the first time in a decade, the Commonwealth is engaged in the housing market. It is quite directly putting forward a solution to the critical undersupply of affordable rental housing for low- and moderate-income Australians and their families. There are now 1.1 million low- and moderate-income households in housing stress, with nearly 700,000 of these households in the private rental market. Rental stress, as we all know, puts enormous financial pressures on families, key workers, young people and, of course, on pensioners. We know, too, that the key reason for the rapid escalation in rents over recent years is a lack of supply of
affordable rental properties. The National Rental Affordability Scheme intends to tackle this head-on. The scheme will increase the supply of affordable rental properties by 50,000 over the next four years. If there continues to be demand, the government will expand the scheme by another 50,000 properties over the following five years, further growing Australia’s affordable rental stock. This demonstrates the government’s long-term commitment to affordable rental housing.

The scheme creates a new asset class for institutional investors in affordable residential housing. It will encourage many institutional investors to enter the residential rental market for the first time. The government anticipates that the scheme will leverage private sector investment worth up to $13 billion over the next four years. More than 1.5 million low- and moderate-income households will be eligible to rent these dwellings at a 20 per cent discount to market rate. These households will include key workers such as entry level police officers, teachers, carers, apprentices, cleaners, hospitality staff and childcare workers. Under the scheme, there is a new opportunity for all levels of the government, the business sector, the community housing sector and the not-for-profit organisations to work creatively together to increase the supply of the rental housing stock.

The rental incentive will be paid either as a refundable tax offset or as a direct payment. The direct payment arrangement for the not-for-profit sector reflects the government’s strong support for the work of that sector, whose involvement is important to the successful implementation of the scheme. The participation of both investors and the not-for-profit charitable sector and partnerships between investors and charities are crucial to the scheme’s success. That is why the Australian government will introduce a transitional safety net to cover not-for-profit community housing providers who participate in the scheme.

The supplementary amendments to the National Rental Affordability Scheme—the National Rental Affordability Scheme (Consequential Amendments) Bill 2000—extend the definition of ‘charitable purpose’ to include the provision of rental dwellings under the scheme. The amendments will apply to charities endorsed by the Commissioner of Taxation, who are approved participants of the National Rental Affordability Scheme and who receive incentives under the establishment phase of the scheme for years 2008-09 and 2009-10. The safety net will cover these not-for-profit providers for the 10 years they receive incentives under the scheme. The amendments directly address one of the key issues raised in evidence to the Senate Standing Committee on Community Affairs inquiry into the bill. The scheme itself and the safety net the government has introduced for community housing providers will bring substantial growth to the community housing sector, whether as tenancy managers, owners or developers in a consortium.

The National Rental Affordability Scheme will be given effect through regulations. This arrangement gives the government the flexibility to address changing circumstances and to ensure that the scheme continues to meet its objectives in the most efficient way. A draft of the proposed regulations was released 10 days ago to assist senators to understand the scope and operation of the scheme. The details of the regulations directly address many of the issues raised by the opposition’s amendments. The government acknowledges that others have flagged the possibility of the scheme being used to enhance sustainability outcomes in private rental properties. Reducing greenhouse gas emissions and improving sustainability are also a national priority of the government. So we accept a target to reduce Australia’s greenhouse gas emissions by 60 per cent on 2000 levels by 2050.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

The PRESIDENT—Before proceeding to questions without notice, I have a brief statement to make. Senators will be aware that on 13 November 2008 the Senate adopted the third report of the 2008 Senate Standing Committee on Procedure and that as a result there will be a trial of new rules for question time during the last two weeks of sittings for this year, beginning today. The new rules involve three major changes to question time: the answers to primary questions will be limited to two minutes instead of four; two supplementary questions will be allowed to the questioner, with the questions and answers limited to one minute each; and answers will be required to be directly relevant to each question. I seek the cooperation of all senators in ensuring that the new rules are given a fair trial and work as smoothly as possible.

Budget

Senator FIFIELD (2.00 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Will the minister guarantee that the budget will not go into deficit, as promised prior to the election?

Senator CONROY—I thank Senator Fifield for that question. MYEFO is clear that the global financial crisis and the global recession have resulted in a $40 billion reduction in the budget surplus. There are no easy solutions or quick fixes to the global financial crisis. MYEFO is a reminder that while the Australian economy is sound our budget is not immune from the global slowdown and the real possibility of a global recession.

Tax receipts have been revised down by $5 billion in 2008-09, $12.2 billion in 2009-10, $12.4 billion in 2010-11 and $7.9 billion in 2011-12. In MYEFO, the government is forecasting a modest surplus but as
global conditions deteriorate that position will become tougher and tougher. The government remains committed to taking whatever action is necessary to strengthen growth and limit the impact of the global recession on jobs. Our strategy is to run budget surpluses on average over the medium term and to allow the automatic stabilisers in the budget to do their job. But the budget is not immune from the global financial crisis, which has delivered a global recession and budget deficits all around the world. That is one reason why we have an economic security strategy to support growth. The $10.4 billion economic security strategy is designed—

(Time expired)

Senator FIFIELD—Mr President, I ask a supplementary question. I note that the minister has declined to restate the government’s pre-election commitment to a surplus budget. Will the minister advise the Senate how long the economic cycle that the government frequently refers to is? The minister might also advise the Senate how long the medium-term cycle to which he referred is?

Senator Abetz—Got you this time!

Senator CONROY—You have not got me at all. The answer to that question is very simple: it is as long as it was when you defined it in exactly the same terms.

Senator Marshall interjecting—

Senator CONROY—I do think that Senator Marshall is correct—Senator Fifield was in actual fact in the Treasurer’s office. Senator Marshall, I think that you are right. So it is exactly the same as when you wrote that answer for your former employer.

The PRESIDENT—Senator Conroy, address your answers through the chair, and you need to be relevant when answering the question.

Senator CONROY—I accept your admonishment for not speaking through the chair, Mr President. I do appreciate that. As I was saying, Senator Fifield knows exactly about the budget cycle because he actually wrote the very same answers when he was in the former Treasurer’s office. He might want to come into question time today and try and pretend—(Time expired)

Senator FIFIELD—Mr President, I ask a further supplementary question. I ask the minister why Labor’s 74 page one-year progress report does not mention the need to keep the budget in surplus? Will the minister at least guarantee that the government will achieve a budget surplus in the remainder of this parliamentary term?

Senator CONROY—The fact is that the global financial crisis has blown a $40 billion hole in the surplus and substantially reduced the size of future surpluses. The fact that we are still budgeting for surpluses is because of the hard yards that we did in the last budget. In these uncertain times, Australians should take comfort from the fact that their government is acting decisively here and engaging abroad. When it comes to strengthening the economy in uncertain times and protecting hard working Australians, we will never sit on our hands. We are focused on those things that we can influence and doing what we can to limit the impact of global developments on our financial markets and on our economy.

The opposition leader is a very clever politician who spends all his time telling people what they want to hear—(Time expired)

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw to the attention of honourable senators the presence in the President’s Gallery of a parliamentary delegation of members from the National Council Constitutional and Legal Affairs Committee from the parliament of Namibia. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Rudd Government

Senator LUNDY (2.07 pm)—My question is to the Minister representing the Prime Minister, Senator Evans. Could the minister please outline to the Senate the key achievements of the Rudd Labor government in the last 12 months, in particular how it has assisted families?

Senator CHRIS EVANS—I thank Senator Lundy for the question. Unfortunately, time does not allow me to do justice to the question—because of the very long list of achievements—but I do want to focus on the plight of families. I think they understood that, when the Rudd Labor government came to office, it was confronted with very high inflation. The legacy of the Howard-Costello era was very high inflation, and that was putting enormous pressure on families in terms of the cost-of-living pressures. That is why in our first budget we made the centrepiece of the budget tax cuts for low- and middle-income earners. We focused not on the high-income earners, as the previous government had done, but on working families and low- and middle-income earners. We gave large tax cuts to assist those families to deal with those economic pressures. We also introduced a 50 per cent tax refund for families for key educational expenses—for laptops, stationery and school textbooks. That tax refund was a very important measure to assist families in educating their children.

What we also did in that budget was to provide for a very large surplus so that we could ensure that, if times turned tough, we could help protect Australians from the worst excesses of any downturn in economic conditions. That is why, with the economic security package,
we are able to assist families and pensioners by providing payments to them—which will be paid next month—which will go a long way to supporting those families, supporting those pensioners and helping stimulate the Australian economy. (Time expired)

Senator LUNDY—Mr President, I ask a supplementary question. In addition, could the minister please outline to the Senate the key achievements of the Rudd Labor government over the last 12 months, in particular its response to the challenge of climate change?

Senator CHRIS EVANS—The difference between the Rudd Labor government and the former government is that, in addition to focusing on the economic needs of families and the Australian people, we are also prepared to tackle those broader global challenges like climate change. What we have done is to go about providing a comprehensive response to climate change. On coming to government we immediately ratified the Kyoto protocol and signed Australia up to that international action to tackle climate change. We tackled the problem on the Australian front by producing the white paper process which has allowed us to design a carbon pollution reduction scheme that will look to reducing Australia’s carbon pollution, to helping build a cleaner, greener environment and to growing environmentally sensitive industries. (Time expired)

Senator LUNDY—Mr President, I ask a further supplementary question. I ask that the minister outline to the Senate the key achievements of the Rudd Labor government over the last 12 months, this time in the particular area of infrastructure and training.

Senator CHRIS EVANS—Some of the things we first confronted on coming to government were the capacity constraints on the economy and the absolute failure of the previous government to invest in skills and training. Failure to invest in infrastructure had left our economy constrained and our potential for growth constrained. By establishing Infrastructure Australia, the Building Australia Fund, trade training centres in schools and 700,000 new training places, we have focused on building the Australian economy, reducing those terrible constraints on the capacity of the economy—positive, nation-building actions that will ensure that our kids have a better future because they will have higher skills, have higher wages and have an economy that is growing, because we have invested in those nation-building projects that were ignored under the former Howard government.

National Broadband Network

Senator MINCHIN (2.13 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Now that it is clear that the government will break its promise to commence construction of its national broadband network by the end of 2008, when does the minister now forecast construction to commence?

Senator CONROY—I thank Senator Minchin for his renewed interest in the national broadband network. Those opposite have spent many months attempting to downplay the importance of the national broadband network. It is back to the future. Senator Minchin has decided that he does not want to do any hard policy work on the national broadband network. What he wants to do is go back to the easy road of just readopting the Howard government’s failed policy agenda. What the Rudd Labor government has been doing is systematically and methodically moving to implement Labor’s national broadband network election promise.

We have gathered the information necessary. That required legislation. We have issued a request for proposals so that we are able to have a truly competitive process—a truly competitive process which those opposite just are embarrassed by because of the many attempts that they made: 18 failed broadband plans in 11½ years. The Rudd government is systematically moving to deliver its national broadband plan.

Opposition senators interjecting—

Senator CONROY—On Wednesday, as has already been indicated by interjections, the process will reach another point and bids will be received. We will then receive a report eight weeks after that from the expert panel. This is a panel that—(Time expired)

Senator MINCHIN—Mr President, I ask a supplementary question. Could the minister inform the Senate whether it was simply naivety or incompetence that led him to promise to start construction before the end of this year, or did the minister deliberately mislead the people of Australia?

Senator CONROY—I have already said at Senate estimates, Senator Minchin, when you have been there, I think, and when others have been there, that we had an ambitious target. But the RFP when it was issued made it quite clear that it was an indicative timetable. It is there in black and white.

Opposition senators interjecting—

The PRESIDENT—The time for debating is after question time.

Senator CONROY—It is a little embarrassing that nobody on the other side has actually read the RFP, so I heard interjections there saying, ‘Where did “indicative” come from?’ Well, it is written there in black and white. The fact that those opposite are too lazy to actually do the hard yards to try to come to understand the process is an indictment on them. But we made it quite clear when we issued the RFP that it was an indicative timetable. It required us to gather information that was critical. (Time expired)

Senator MINCHIN—Mr President, I ask a further supplementary question. I note that, in relation to Labor promises, one has to read the fine print. Could the minister tell us whether he still believes that he can
keep his promise of completing construction of his fibre-to-the-node or fibre-to-the-premises national broadband network to 98 per cent of Australian homes and businesses within five years?

Senator CONROY—I again thank Senator Minchin for his question, because it was only a few weeks ago in this very chamber that Senator Minchin fell for the old three-card trick of quoting a misreport in a newspaper to claim it was a 13-year build. He took eight years and five years and added them together for a 13-year build. Those opposite may think this national broadband network is never going to be built, as they are indicating, but this is a commitment that the Rudd government made. We said it was a five-year build. We said it would reach 98 per cent of Australians. That is absolutely clearly stated in the RFP. Those are the objectives that they are tendering against.

Senator Minchin interjecting—

Senator CONROY—No, they did not. Do not misinterpret deliberately, Senator Minchin, what Telstra said. They have come out and corrected you, much to your embarrassment.

Senator Minchin—They said it cannot be done in five years.

Senator CONROY—Telstra came out and said the exact opposite. (Time expired)

Queensland Storms

Senator MOORE (2.18 pm)—My question is to the Minister for Human Services, Senator Ludwig. Can the minister inform the Senate of the extent of the damage caused by the extraordinary series of storms recently in Queensland?

Senator LUDWIG—I thank Senator Moore, a Queensland senator, for the question. In relation to the storms that lashed South-East Queensland last week, I was able to get a first-hand account of the damage caused by those storms, which have taken a terrible toll on the people of Queensland. Our thoughts are with those thousands of families that have been caught up in the disaster. The storms, of course, first hit on the afternoon of Sunday, 16 November 2008, when 69 millimetres of rain fell within 30 minutes, causing local flooding in Brisbane. The storms brought heavy rain, hail and wind gusts of up to 130 kilometres per hour, causing branches and trees to fall across roadways and, of course, onto houses. Fallen power poles blacked out over 80,000 houses in the region. About 4,000 homes were seriously affected and 1,800 were uninhabitable within the suburbs of The Gap, Keperra, Ferny Hills and Ashgrove, which were the worst affected. Brisbane was officially declared a natural disaster area by the state government. Tragically, one man was killed when he was swept away in a stormwater drain while attempting to photograph the storm.

As emergency services crews began cleaning up and tarping properties that had lost roofs, a second major storm struck South-East Queensland on the night of Wednesday, 19 November, causing widespread flooding across the region. Flash flooding swept through areas between Toowoomba and Ipswich, with falls of more than 200 millimetres being recorded up to midnight. One woman, tragically, lost her life when she was washed away with her car in flooding near Laidley. Major highways and suburban roads were impassable, train lines cut and emergency services told people not to travel unless it was absolutely essential. The Rudd government swung into immediate action on Monday. The Prime Minister, Mr Kevin Rudd, visited affected areas in Brisbane’s north-west and immediately— (Time expired)

Senator MOORE—Mr President, I ask a supplementary question. Specifically, Minister, what is the government done on the ground?

Senator LUDWIG—in consultation with Minister Macklin, the Acting Prime Minister, Julia Gillard, activated the natural disaster relief and recovery arrangements. Under these arrangements—

Opposition senators interjecting—

Senator LUDWIG—I am sorry that the opposition do not want to hear this. Under these arrangements, the Australian government provided immediate additional assistance to the people adversely affected by the storms that battered the region on Sunday, 16 November. The assistance was then extended in the south-east to cover those seriously affected by further storms and flash flooding on 19 and 20 November. The funding provided immediate financial assistance to anyone who had been seriously injured as a direct result of the disaster or whose principal place of residence had been destroyed or significantly damaged. The funding included grants for food, clothing, accommodation and emergency repairs to housing. Of course, under the national emergency management arrangements activated, up to 800 defence personnel were deployed from the Enoggera Army base in Brisbane to work closely with the SES to help clear roads and storm damage— (Time expired)

Senator MOORE—Mr President, I ask a further supplementary question. Specifically, Minister, what is the situation on the ground today?

Senator LUDWIG—I am advised by the Queensland Minister for Emergency Services, Mr Neil Roberts, that to date over 4,200 homes and businesses have been reported damaged; over 23,000 calls have been made to the SES hotline; at least 250 to 400 SES volunteers from Queensland and interstate have been involved on a daily basis, contributing an estimated 23,000 volunteer hours of effort; and more than 4,000 jobs have been completed across Queensland, includ-
ing an estimated 940 tarping jobs. On the Centrelink front, to date, almost $3.2 million has been delivered to approximately 2,600 adults and 1,500 children. People should not self assess but should retest their eligibility for the payment with Centrelink. I can assure all Queenslanders that the federal government is working closely with the Queensland state government during this difficult time. I take the opportunity of commend- ing Queenslanders both for their resilience and for their community spirit. (Time expired)

Schools: Computers

Senator MASON (2.23 pm)—My question is to the Minister representing the Minister for Education, Senator Carr. Will the minister confirm that Labor has broken its promise that every student in years 9 to 12 will have, and I quote, ‘their own school computer’?

Senator CARR—Senator Mason knows that his question is based on a false presumption. His assertion is simply wrong and it is rejected by the government. The Australian government is investing $1.2 billion over five years in the digital education revolution to improve access to world-class information for Australian secondary students. One part of this investment is $1.1 billion for the National Secondary School Computer Fund. Round 1 of the fund is providing $116 million to 896 secondary schools across Australia—that is, 116,820 computers, taking the computer-student ratios under the previous government of one to eight, or worse, to a ratio of one to two. In the first round of funding already initiated, some 10,238 computers have been delivered to 107 schools across Australia.

Under round 2 of school funding, a total of 1,420 schools across Australia have applied—that is, 793 government schools, 342 independent schools and 285 Catholic schools. By the end of this year, all of the non-government schools will have received funding for their computers. At the conclusion of the COAG negotiations and the on-costs discussions, government schools will be in a position to begin receiving computers for the 2009 school year. (Time expired)

Senator MASON—Mr President, I ask a supplementary question. I note the minister’s reference to round 1 one of the computers in schools program. Given the government’s professed urgency to distribute computers to the most needy students under round 1, can the minister guarantee that all computers promised under round 1 will be on students’ desks by the end of the 2008 school year?

Senator CARR—The question, as the good senator knows, is nonsensical. Under round 1 of the funding arrangements, 10,238 computers have been delivered to 107 schools. That means that we are moving from a situation under the former government—your government, Senator Mason—of a ratio of computers to students of one to eight, and up to one to 12 in some schools, to a ratio of one to two. That is a substantial improvement in equality of opportunity for students in Australian schools, as a direct result of this government’s actions. We are in the process of rolling out $1.1 billion worth of expenditure in round 1 and round 2, which of course, as the senator knows, has only just closed. The expectation is that a further number of schools, some 793 government schools, 342 independent schools and 285 Catholic schools— (Time expired)

Senator MASON—Mr President, I ask a further supplementary question. I note that only 10,000 out of one million computers due have been delivered. Doesn’t Labor’s own one-year progress report confirm that Labor has broken its promise, when it says, ‘The government’s aim is to lift all remaining secondary schools to a ratio of one computer for every two students as soon as possible’?

Senator CARR—I really do suggest, Senator Mason, that you get some consultants in to assist you with your tactics committee if that is the quality of questions as a result of these profound reforms. I do not know how more quickly than ‘as soon as possible’ things can be delivered. What should we say—that it should be even more quickly than as soon as possible? What a nonsense! The former government’s computer-student ratio was one to 12—one to eight, on average. We are reducing that to one to two as soon as possible. We are honouring our election commitment to the letter.

Australian National Academy of Music

Senator MILNE (2.29 pm)—My question is to the Minister representing the Minister for the Environment, Heritage and the Arts, Senator Wong, and relates to the closure of the Australian National Academy of Music. Minister, can you explain why Minister Garrett has repeatedly raised the two independent reviews of the academy—the Mills review and the Grant review— as justifications for his decision to defund the academy, when both reviews clearly and explicitly called for increased funding for the academy to enable it to grow? Isn’t Minister Garrett misleading the Australian community?

Senator WONG—The response is no. Minister Garrett has made clear the Australian government’s—

Senator Brandis—I think you are a music sceptic, Penny.

The PRESIDENT—Senator Wong, ignore the interjections and address your comments to the chair.

Senator WONG—In response to the assertion of misleading, the answer is no. Minister Garrett has made clear his and the government’s continued strong commitment to providing training for our best classical musicians to bridge the gap between tertiary study and professional practice. I am advised that the delivery of this training through the newly established Australian Institute of Music Performance, in conjunction with the University of Melbourne, is the best way the govern-
ment can provide this assistance. I am also advised in relation to this issue that the Australian government will continue to work closely with the University of Melbourne to ensure that clear transitional arrangements are in place which will provide a continuity of training for ANAM students.

In relation to the reviews, it is the case that Minister Garrett has considered the recommendations of two independent reviews. I am advised that the reviews have noted that the ANAM failed to provide national leadership in the elite music education sector and also failed to build teaching and artistic relationships across the sector, including with other conservatoria. I am also advised that the reviews noted the need for the academy to broaden its funding base and to develop a properly national program that is seeking to enable there to be an appropriate transition to the new Australian Institute of Music Performance. There are three issues that I can go to there: students will be able to access flexible and individual tuition reflecting their training needs; students can take part in one of the university’s current music performance degrees; and, the university will also assist academy students to seek placements with interstate academic institutions where this is relevant. So, clearly, the government is working to ensure that there is an appropriate transition available for Australia’s classical music students. (Time expired)

Senator MILNE—Mr President, I ask a supplementary question. I thank the minister for her answer. I go to the two reviews. Will the minister clarify for the Senate that both of those reviews recommended increased funding and neither recommended that the academy close? Further, can she inform the Senate when the minister or the Prime Minister or any other representative of the government had discussions with the University of Melbourne, particularly University of Melbourne’s Glyn Davis? When did those meetings occur, who was there and how often did those meetings occur before the decision was made to close the academy?

Senator WONG—With respect, Mr President, I think there were some five supplementary questions in that question. I will just make the point that, first, in relation to the reviews, I have given you the advice that I have received about the aspects of those reviews which the minister took into account. He also, as he has previously indicated publicly, considered the importance of continuity of training for those students being considered for 2009 and has obtained a commitment from the University of Melbourne to provide a range of training options for the new Australian Institute of Music Performance. I am also advised in relation to this issue that the university will shortly be providing information on these options to students and that, when established, this institute will deliver a truly national program. I have no information with me, Senator, in relation to the discussions which may or may not have occurred around continuity of training. (Time expired)

Senator MILNE—Mr President, I ask a supplementary question. I would certainly ask the minister to take on notice the question about the meetings that may have occurred with the University of Melbourne before the decision to close, but my supplementary goes to the transitional arrangements. I note that our top young musicians are going to be stranded for six months without the level and kind of tuition that they enrolled for and were expecting to be delivered. So I would ask the minister: excepting in cases of significant malpractice, can the Minister provide the Senate with a single precedent for closing a teaching institution in such a way as to seriously disadvantage existing students without the provision of an equivalent alternative facility immediately?

Senator WONG—First, in relation to continuity, I will simply say that I think it would be entirely reasonable for this minister to have ensured that arrangements were put in place to enable the transition to the institute. So any such discussions would be perfectly reasonable. Secondly, in relation to transition, I have made clear on behalf of Minister Garrett that the government is seeking to enable there to be an appropriate transition to the new Australian Institute of Music Performance. There are three issues that I can go to there: students will be able to access flexible and individual tuition reflecting their training needs; students can take part in one of the university’s current music performance degrees; and, the university will also assist academy students to seek placements with interstate academic institutions where this is relevant. So, clearly, the government is working to ensure that there is an appropriate transition available for Australia’s classical music students. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw to the attention of honourable senators the presence in the President’s Gallery of members of the Judicial Affairs Committee of the National Assembly of Vietnam, led by Mr Hoang Van Minh, Deputy Chair of the Committee. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Rudd Government

Senator RONALDSON (2.36 pm)—My question is addressed to the Minister representing the Prime Minister, Senator Evans. Senator Evans, I refer you to a document entitled First 100 days: achievements of the Rudd government, dated February 2000, which carries the Australian government Coat of Arms, so I will presume that that is a government authorised document. I also refer you to the equally highly political 74-page glossy document published by the Department of the Prime Minister and Cabinet entitled One year progress report, which also carries the Commonwealth Coat of Arms. Can you confirm that this was produced solely by the Prime Minister’s own department, or were there other departments involved in the compilation and pro-
duction? Alternatively, was ALP head office similarly involved?

Senator CHRIS EVANS—I thank the senator for the question. I think he is right to draw attention to a very important document which outlines for the Australian public the government’s achievements and progress in meeting its election commitments throughout its first year of government. I think that, generally, people have acknowledged that we have made very good progress in meeting those commitments and implementing the agenda which we took to the people. I think this sort of document is important as an accountability measure in that it is a report of the government’s activities, the government’s achievements and the progress the government has made with its reform agenda. It was, I think, coordinated through the Department of the Prime Minister and Cabinet, but I will check on the exact details that Senator Ronaldson raised. I do not have a brief as to the ins and outs of it other than that I know that ministers and departments were invited to provide information for the compiling of the document. Obviously it was quite difficult to fit all the achievements into a single document, but I think it is important that governments are accountable. This government has brought new accountability standards to government, and I think it is important that we report to the Australian community on progress made in policy areas.

I saw another document which purported to analyse the year. It was a pretty unimpressive piece of work. I noticed when I looked through the document that a range of commitments by the opposition seemed to have disappeared. I think this is an important document. I urge people to consider it. (Time expired)

Senator RONALDSON—Mr President, I ask a supplementary question. Minister, you said that the document titled One year progress report referred to accountability and to the government’s achievements. I will read the foreword to the First 100 days. It says:

As Prime Minister, I am accountable to all Australians for the performance of the Government.

That’s why I am releasing a report card that outlines the Government’s achievements during its first 100 days in office.

Given that this document is about accountability and is apparently political, and you say that the most recently released document is also about accountability and is not a political document, I ask: why was it good enough for the Labor Party to have to pay for the first document, First 100 days, and why isn’t the Prime Minister now requiring the Australian Labor Party to pay for this document, which is similar in tone, comment and commentary?

Senator CHRIS EVANS—I hope that other people followed that question a bit more closely than I did, because it did not seem to make any sense at all. All I can say is that—

Senator Conroy—It’s that second supplementary—

Senator CHRIS EVANS—Yes. If this is what a second supplementary does in terms of putting pressure on ministers, I think we had better go back to the old system. As I explained, this document is a one-year progress report of the new government for the Australian public. It is a perfectly appropriate thing to provide. As I said, it is about us providing accountability for our actions. In terms of some complicated argument about a document put out after 100 days, I really cannot help the senator. I think this is a modest but important document that stands as a record and a report to the Australian public. It is a very important and, I think, appropriate thing to do.

Automotive Industry

Senator MARSHALL (2.43 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister inform the Senate what role the government’s New Car Plan for a Greener Future had in Ford Australia’s decision to retain its Geelong engine plant?

Senator CARR—I thank Senator Marshall for his question. As a senator from Victoria, I know how much he appreciates the importance of the automotive industry. Ford Australia’s decision to keep its engine plant at Geelong open and to retool it to produce a new, greener engine is a direct consequence of the government’s new car plan. This decision will secure 400 jobs at Ford and 900 jobs in the components sector. That is a total of 1,300 high-quality, high-skilled, high-wage jobs for the Geelong region and beyond.
Some questioned whether the plan would generate new investment. They were wrong. The plan provides $3.4 billion for an Automotive Transformation Scheme that will drive investment in new capacity, new skills and new research and development. It provides $1.3 billion for the Green Car Innovation Fund. It provides important new support for the component sector.

There is one more thing that the plan provides, and you cannot put a dollar value on it. That is certainty. In times of crisis, certainty is a rare thing. It is priceless. This plan gives people the long-term policy framework they need to invest in the future. Ford has responded already with its decision to invest in Geelong. We have said all along that the industry would get nothing from the new car plan unless it was prepared to invest in itself. This is about partnership and mutual obligation. Ford’s decision is the kind of result you will get when a government is willing to roll up its sleeves and work with industry to create new opportunities, new capacity and new jobs. That is what this government has been doing.

Senator MARSHALL—Mr President, I ask a supplementary question. Can the minister explain how this decision will assist in making this industry greener?

Senator CARR—This decision will give us both a greener product and a greener production process. The Geelong engine plant will be retooled to produce a new engine. It will be completely refurbished and modernised. This will increase its energy efficiency and reduce its carbon footprint. The new in-line six-cylinder engine that will be produced at Geelong will meet the strict Euro 4 environmental standards. It will emit half the nitrous oxide, carbon monoxide and hydrocarbons produced by the engine currently made at the plant. It will ensure that many Australians who need a family size car will have an Australian made, fuel efficient, low-emissions option to choose from. It is part of our dual strategy to get better environmental performance and better economy from existing platforms while at the same time accelerating the development of new fuels and power trades.

Senator MARSHALL—Mr President, I ask a further supplementary question. Can the minister inform the Senate what this decision by Ford Australia will mean for the component companies?

Senator CARR—This is a huge win for the parts makers, not just in the Geelong region and not just in Victoria. Producing this engine will require inputs from around the country. The decision to keep the plant open is expected to secure 900 jobs in the components sector over and above the 400 jobs directly through the Ford plant itself. The health of the sector is critical to the health of the industry as a whole.

The government’s new car plan includes specific measures to help component companies restructure to expand their capabilities and access new markets. Of the Automotive Transformation Scheme capped funding, $1.125 billion is earmarked for the supply chain. We are determined to strengthen and revitalise the automotive components sector. This decision is a vital first step. (Time expired)

Biotechnology

Senator IAN MACDONALD (2.48 pm)—My question is also to Senator Carr, both in his own right as Minister for Innovation, Industry, Science and Research and also representing the Minister for Trade, Mr Crean. I wonder if the minister could tell the Senate by what percentage investment in Australia’s biotechnology sector has collapsed since the government axed the vital Commercial Ready program, thereby breaking another one of its election promises—this one to revitalise Australia’s innovation system?

Senator CARR—The question that the senator asked me in relation to biotechnology is an important one. The portfolio that I administer spends some $390 million a year on research and industry support for biotechnology alone. This expenditure on biotechnology varies from year to year, as much of it is provided through investigator driven programs or the National Competitive Grants Program. I would expect that support provided through the CSIRO, the Australian Research Council, the National Collaborative Research Infrastructure Strategy and programs under AusIndustry like the Innovation Investment Fund would also continue to provide a broadly equivalent level of support. The new Climate Ready Program of $75 million over four years can provide support for biotechnology projects as well. They contribute to tackling climate change and the environmental challenges that are facing Australia.

Recent media coverage indicates that local investors are shying away from high-risk technology start-up companies in response to the global financial instability. There is an indication that the focus of the biotechnology and other high-tech sectors may shift away from fundraising activities and turn instead to licensing in technology. So the government is considering the recommendations of the report of the Review of the National Innovation System and is now developing a white paper outlining a 10-year plan for promoting innovation across the country. The changes proposed by the national innovation review to introduce tax credits and extend the Innovation Investment Fund should be also welcomed by the innovation sector in that regard. (Time expired)

Senator IAN MACDONALD—Mr President, I ask a supplementary question. I wonder if the minister could indicate whether he accepts that the shying off of investment which he referred to in his answer is because the Commercial Ready program was axed by his government? I am pleased that the minister mentioned Dr Terry Cutler’s Review of the National Innovation
System. I ask the minister to guarantee that he will implement the recommendation of Dr Cutler to institute a new competitive grants program for innovative businesses to replace the axed Commercial Ready program.

Senator Carr—The proposed competitive innovation grants program, recommended by Dr Cutler and his review panel, is different from the former Commercial Ready program. The panel identified a gap in assistance for innovative small and medium sized enterprises with limited access to capital in the high-risk proof of concept and development stages of projects. If such firms do not have the necessary capital to test new concepts, they would not be able to use the tax credit arrangements that are being proposed in other parts of Dr Cutler’s report, nor for that matter the existing arrangements—and, of course, they would need to spend a lot more money than they currently spend to achieve that outcome. So the associated high risk of investment means that third-party investors are very unlikely to assist such firms. The proposed competitive innovation grants program targets support to national priorities—

(Time expired)

Senator Ian Macdonald—Senator Carr has accepted that there are now two gaps in the program in his department, but the minister would be aware that the Export Market Development Grants Scheme, for which he has responsibility in this chamber, also encourages investment in innovation. Will the minister guarantee that the government will not further harm Australia’s investment in innovation by axing the Export Market Development Grants Scheme—like it did to the Commercial Ready program? Further, will the Minister for Trade, Simon Crean, in his major statement scheduled for this week, be responding to the Mortimer report on the EMDG Scheme, which is so vital to innovation investment?

Senator Faulkner—Mr President, on a point of order: I listened carefully to Senator Macdonald’s primary question and also to the supplementary question he has now asked. Mr President, do you consider it in order for Senator Macdonald to ask a supplementary question in relation to the EMDG, given the nature of his primary question about Commercial Ready?

Senator Minchin—Mr President, just briefly on the point of order: I am delighted to see Senator Faulkner’s clear and unadulterated interest in relevance, and that is to be welcomed. But I would point out that Senator Macdonald, in his primary question, quite clearly referred to Australia’s innovation system. That was the premise of the question and it was the premise of the supplementary question, and I therefore believe it is entirely in order.

Senator Ian Macdonald—Mr President, on the point of order: the Export Market Development Grants Scheme relates to innovation in certain areas, and I made that clear in the supplementary. This minister is not only the minister for innovation but also represents the trade minister, and they are both intertwined and quite relevant to both the original question and the supplementary. We have now given the minister plenty of time to try and work out an answer, so I hope we will get one from him.

Senator Carr—Mr President, on the point of order: under which standing order can we now have a situation where ministers can be asked a question in one portfolio and a supplementary question on an entirely separate ministerial representation? What is the relationship between the supplementary question and the primary question? What we have here is a question that went to me as the minister for innovation and then a supplementary question that went to me as the Minister representing the Minister for Trade. It is quite clearly out of order.

Senator Abetz—Mr President, Senator Macdonald indicated to you at the commencement of his question that he was asking a question of Senator Carr in both his ministerial capacity and his representative capacity. You called on Senator Carr to answer the question in both his ministerial capacity and his representative capacity. In those circumstances, it is quite in order for Senator Carr to be required to at least have a stab at the question. Mr President, you clearly called him in both capacities.

Senator Chris Evans—Mr President, on the point of order: I ask you to rule on the point made by Senator Abetz. It seems to me that the proposition the opposition are now advancing—after having said that the ‘new’ question time is about homing in on relevance—is that they can in the same question ask a minister a question that goes to both their own responsibilities and responsibilities that fall to other ministers whom they may not represent. It seems to me that Senator Abetz has just advanced the proposition that one could be asked a question in one portfolio and that the supplementary question, or indeed the primary question, could be asked with both hats on. But fundamentally he has proposed that a supplementary could then be asked of a different portfolio. That is not my understanding of how we have operated over the years. Mr President, I would ask you to rule on that because it seems to me quite a departure from how we have operated in the past.

Senator Coonan—Mr President, on the point of order: the issue that is currently before you and which we are debating in the Senate is about whether or not it is permissible to ask a question that encompasses a minister in their portfolio capacity and also in their representative capacity. Minister Carr did not at the commencement of his answer take any point of order in relation to the relevance of the question and how he would deal with it in either capacity. The question as framed and the supplementaries are directly relevant to
the capacities in which he chose to commence his answer, and he ought to be asked to complete it.

 Senator Ludwig—Mr President, on the point of order: clearly, we have now got to a position where Senator Evans has asked you to rule on the issue, and I encourage that course of action, if I may, with respect. We do have the second issue, though, which I would also ask you to look at, which relates to the relevance of the supplementary—that is, the final supplementary—to the question itself. Senator Evans has asked in relation to the issue that revolves around cross-portfolio matters, but there is also the additional matter about the relevance of the second supplementary question to the primary question, because the rules in relation to relevance have not changed with respect to supplementary questions under the new system.

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tion that applies to the portfolio responsibilities of Senator Carr. Senator Carr, you now have time to answer that question.

Senator CARR—The government is committed to building the innovative capacity of Australia. We are taking that view in sharp contrast to the dismal and negligent attitude that the previous government took on the whole issue of innovation. As we well know, the former government’s record of performance in this area was woeful. It was absolutely woeful.

Senator Ronaldson—Mr President, I raise a point of order as to relevance. The new rules state that the minister must be relevant. I ask you to bring the minister back to the question.

The PRESIDENT—Minister, you have 34 seconds left in which to answer the question. I remind you of the issue of being relevant to the question.

Senator CARR—On the question of export development, Minister Crean has made it perfectly clear on numerous occasions—in fact, from the first day this government came into office—that we have said there is a need for a new trade policy that takes our position beyond the resources boom. In a climate where we have a global economic crisis, such a view has been demonstrated to be thoroughly correct. The difference between this government and the opposition is that we do appreciate the need to diversify our trade policy, because we know that trade is about more than just producing goods and shipping goods—(Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator IAN MACDONALD (Queensland) (3.08 pm)—I move:

That the Senate take note of answers given by ministers to questions without notice asked by Opposition senators today. Today marks the anniversary of the election of the Rudd Labor government one year ago. What it also marks is 365 days of broken promises by the Rudd government.

The DEPUTY PRESIDENT—Order! There is too much noise. Would senators please quietly leave the chamber.

Senator IAN MACDONALD—In the recent debate before the chamber we have had an example of how the Labor government promised, prior to the election, that there would be a revitalisation of Australia’s innovation system. What has happened? They have cancelled—axed—the Commercial Ready program, a program that did so much for innovation within Australia. I fear that the Export Market Development Grants Scheme, which also supports innovation, will indeed be the next scheme on the chopping block of the government. The Minister for Trade, Mr Crean, was to make a major trade statement this week at the National Press Club, and I understand, for reasons yet to be explained, that major speech on trade policy has been withdrawn. It has been suggested to me that the reason is that Mr Crean has been rolled by his cabinet colleagues and the Export Market Development Grants Scheme will no longer be continuing.

In addition to that broken promise, we have seen, as demonstrated during question time today, that the Rudd Labor government’s first year has been a litany of broken promises. Mr Deputy President, you would remember the promise about keeping the budget in surplus. Today we have heard the first weasel words of an excuse as to why the budget will not be in surplus next year. This government was left a $22 billion surplus by the previous government after the previous government paid off a $96 billion debt that the last Labor regime ran up. This Labor government promised they would always keep the budget in surplus yet, 365 short days later, they are now equivocating, and respected analysts are suggesting that there will be a deficit in the first real budget of this Labor government.

Mr Deputy President, you heard in question time the government promise a national broadband network start-up date of by Christmas this year. According to my calculations, that is a little over a month away, yet there is absolutely no chance that that promise will be met. There was also a promise to distribute broadband to 98 per cent of Australians within five years. You have heard today, in response to a question from the shadow broadband minister, Senator Minchin, that there is already equivocation on that five-year program. You have heard today in question time that every high-school student in Australia was to get their own computer—well, at least two students were to get one! So far they have given out 10,000, which, expressed as a percentage of what was promised, is one per cent, meaning that it will take 100 years to honour the pre-election promise of Mr Rudd and his Labor Party.

Mr Deputy President, you also heard today, in response to questions from the opposition, that Labor’s rhetoric and promises about accountability and about not having taxpayer funded promotion are all nothing more than meaningless promises made to be broken. We heard that the Rudd government has celebrated its 365 days by getting the taxpayers to fund a gloating, political brochure promoting the Labor Party. So in the short five minutes I have had available to me I have exemplified five promises broken by this government in the last year.

Senator CROSSIN (Northern Territory) (3.14 pm)—Today is a day of celebration for this nation. It is the anniversary of the election of the Rudd Labor government. This is the day 12 months ago when people
right across this country in record numbers indicated that they wanted a government that actually moved this country forward, that actually wanted to produce outcomes for this country that were based on fairness, equity and balance, and so the Rudd Labor government was delivered.

We produced a report card on what we had done in our first 100 days in office. People ought to be proud of the fact that, as we speak in this chamber today, they can click on a website and get access to a 74-page document that, in every bit of detail possible, outlines to every Australian in this country exactly what we have done over the last 12 months and the programs we are continuing to undertake.

I think people here ought to be very pleased with the fact that this is an open, transparent and accountable government. This is a government that stood on a platform of saying that we would implement every election promise. We have a Prime Minister and a cabinet that are committed to doing that, unlike the people opposite, who were elected on a platform of a number of promises that became ‘core’ and ‘non-core’ promises. When the earth beneath them got a little bit too shaky and too rocky, a promise became a ‘non-core’ promise, a promise that was put on the backburner. But this is not a government that operates that way. This is a government that has given a commitment to actually implement every single one of its promises.

This is a government whose very first act on the very first sitting day of this parliament, in February this year, was for the Prime Minister to say sorry to the stolen generations, people who had waited for that apology for more than 11 long years. This was a government that held out a hand of reconciliation to Indigenous people right around this country, brought them into this building and started to build that bridge that was so badly broken under the Howard government.

And then our very first piece of legislation in this parliament was to start to break down and abolish the abominable Work Choices legislation that the previous government had inflicted on workers across the country. Our very first legislative action as a government was to ensure that Australian workplace agreements were gone and that our commitment to build a fairer and more balanced workplace would start to be put in place. So our very first two actions as a government in this building, back in February this year, were to start to make amends to Indigenous Australians and to workers rights around the country.

In our first budget, we cut taxes to working families and to low-income earners. We have started the education revolution. Revolutions do not happen overnight. They take months, if not years. We have a five-year plan for our education revolution, which includes building training centres in high schools. Why is that? Because the previous government was deficient in the skills training area. It sadly let this country down when it came to people accessing trade training places and developing and building the skills that we need to get this country back on track. We have started with 700,000 new VET places and the creation of trade training centres in schools around this country so kids can get on board, get a taste of trades and start trades as they finish their final years of schooling.

And we have started to install new computers in nearly 1,000 schools around this country. The parents that I talk to are excited about the fact that we will be able to provide access to a computer for their child. Some of them cannot afford it normally and they are looking forward to the day that this government can provide that notebook, the notebook of the future, for the kids in the classroom. We are proud of the fact that we will take students in this country into a workplace of the future that will be based on technology and on computers.

We have implemented the Water for the Future plan to restore the health of the Murray-Darling Basin, something that the government had been divided on for a very long time. Talking about improving our environment, we have ratified the Kyoto protocol. We are not climate change sceptics, unlike the people opposite me. We have actually signed Australia up to an international action to tackle climate change. We have introduced the $480 million National Solar Schools Program to encourage schools—(Time expired)

Senator FIFIELD (Victoria) (3.19 pm)—I must say Senator Crossin’s contribution to this debate was one of the more bizarre that I have heard in this place. Senator Crossin said that today is a day of celebration around Australia. It reminded me of the bicentennial catchcry: ‘Celebration of a nation’. Mr Deputy President, I do not know about you but I must have missed the milling throngs outside Parliament House cheering: ‘One year of the Kevin Rudd government! Hip hip hooray!’ I must have missed them. I do tend to get into the office fairly early, so maybe they came after I arrived.

We have had a year of Kevin Rudd, a year of Labor. Ministers, in answers to questions today, gave the Senate the authorised version of the last 12 months. What we did not hear was a real progress report on the last 12 months.

Senator Crossin—How is Malcolm going in the polls these days?

The DEPUTY PRESIDENT—Order! Senator Crossin, you were heard in silence. I suggest you remain silent while Senator Fifield makes his contribution.

Senator FIFIELD—There is a story behind the spin we heard in question time today. That story is that Aus-
Australia is less prosperous. The economy is weakening. The outlook for Australian families and businesses is less certain. The simple fact is: Australians are worse off today than they were a year ago.

The Labor Party promised the sun, the moon and the stars before the election. They promised a lot but they have done very little in government. The government will say, as did Senator Conroy in question time, that this is all the fault of the GFC, the global financial crisis. We recognise that no government can solve the GFC on its own, but as a government you can make the situation better or worse, depending on the decisions that you take. The government, as is well known, made the situation of the GFC worse. Before the budget, they created a panic about inflation. They egged on the Reserve Bank to increase interest rates, they talked down the Australian economy and they undermined business confidence and consumer confidence. After the budget, they introduced the open-ended banking guarantee, which caused a run on investment funds, and they jawboned the economy down, down, down, rather than doing what a responsible government does, which is focus on the economic fundamentals, focus on the strengths of the economy.

This government’s handling of the economy goes to the issue of competence, but the last 12 months also represents a breach of faith with the Australian people. Firstly, the Prime Minister, when he was opposition leader, put his hand on his heart and declared, ‘I am an economic conservative,’ and that he was committed to budget surpluses—committed; no qualification: committed to budget surpluses. We hoped that was true, because we in government had worked very hard over 12 years to repay $96 billion of Labor debt and balance the budget, and we handed a surplus budget across to the incoming government. The mantra of this government was also our mantra in government: that we would keep the budget in balance, on average, across the course of the economic cycle. That was our mantra. That is this government’s mantra. But what that statement means is that a budget deficit will be countenanced if the economy goes into recession. But the economy is not in recession. The economy is growing. The economy is forecast to continue to grow. In that circumstance, the only reason for going into budget deficit is incompetence. It is a failure to manage the budget. And that is what I fear we are going to see very soon: a combination of incompetence and a breach of faith with the Australian people.

This government has broken promise after promise. The education revolution: all it has amounted to is a few computers—not one on every desk as was promised. Health: private health insurance is being undermined, which is going to force people back onto the public health system. We were promised tax cuts. Sure, the government delivered the tax cuts that we authored, but it also gave a $19 billion tax increase. The national broadband network we have heard much of today: six months overdue. Cost of living: what did the government do? It put up the new defunct, failed, discredited Fuelwatch scheme and the GroceryWatch scheme. This government has failed time and again. There is more to honouring election commitments than just putting a dot point in a document and filling it with words afterwards. This is a government that dithers, that is bogged down in process, that has failed to deliver on its commitments.

Senator FORSHAW (New South Wales) (3.24 pm)—Today is not just the one-year anniversary of the election of the Rudd government, which, I certainly agree with Senator Crossin, is something to celebrate. Today is also the one-year anniversary of the defeat of the Howard government. When the people finally got their chance 12 months ago to throw out the previous, incompetent government, a government that made

Senator FORSHAW—Am I going to be allowed to continue in silence?

The DEPUTY PRESIDENT—There is silence, Senator Forshaw; continue.

Senator FORSHAW—The previous government made an art form of breaking promises, whether it was the never-ever GST or that we would not invade Iraq to support regime change. You could go on and on; it was a government that was characterised by constantly breaking its promises. We have just had an attempt by Senator Fifield to give us an economic lecture. He talked about the wonderful achievements of the previous government. Well, I have been here long enough—like you, Mr Deputy President, and like Senator Macdonald, who is no longer in the chamber but who asked these questions today—to be able to recall what happened back in 1996. Senator Macdonald made great play about his assumption that the EMDG Scheme might be abolished. There are all these assumptions being thrown around today by the opposition, such as Senator Fifield’s assumption that there might be a deficit. They are trying to talk down the Australian economy rather than focusing upon reality and upon the facts.

One of the facts is that, when the Howard government came into power in 1996, they abolished the Development Import Finance Facility scheme—a scheme that directly supported Australian industry. So I found it somewhat hypocritical to have this question asked today about dreaming up some perceived threat to the EMDG Scheme, which this government has strongly supported, unlike the previous government. If you go back and check the estimates hearings, year after year, you will recall that the previous government did very little to support the EMDG Scheme.
The Howard government, of course, had the advantage of riding on the back of the minerals boom for years and years. This government has had to face and is facing the most significant economic financial crisis since the 1930s; that cannot be disputed—a challenge to this government that no other government in the last 60 or 70 years has really had to face. And we are doing it appropriately.

All of these questions and comments that have come from the opposition today are not in the national interest. They are seeking to predict doom and destruction in the Australian economy. You have a situation around the world where major economies are going into recession. But, in this country, fortunately, through the government’s quick action early in the piece, particularly in the area of banking and financial regulation, we have a position where it is looking extremely good for this country compared to the rest of the world in terms of facing up to the global financial crisis.

I also want to turn to the achievements of this government over 12 months. Senator Crossin has referred to a number of them, such as the apology to the stolen generations. We also recall that one of the very first moves of the Rudd government was to ratify the Kyoto protocol and to get serious about climate change—an issue on which, clearly, the public judged the previous Prime Minister, Mr Howard, as not up to the mark. He was not interested in climate change as an issue, and it was significant in his election defeat. So was Work Choices.

Yet we still hear the opposition equivocating about whether or not they will support the government’s policy, for which we have a mandate, to restore balance and fairness in the Australian workplace. I could go on. I could talk about the electoral reforms. I could talk about giving recognition to local government through the great forum that was held here last week, with local government finally getting a direct voice into federal government. I thought one of the most amazing comments I heard last week was from the president of the Australian Local Government Association who said that, in all of the years of the Howard government, he could never once get a meeting with the Treasurer. What a disgrace that was! (Time expired)

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.29 pm)—I always get worried when I hear about five-year plans, and I heard about one today. Today we heard one of the good Labor senators talk about how they have a five-year plan for the education revolution. I was wondering where I had heard that before, and it took me back to the Gosplan of the Soviet Union. I think Pyatiletka is the Russian term for ‘five-year plan’, and that is really what we have here.

Labor senators talk about how they are going to move the country forward. I do not know if they have moved the country forward, but Mr Rudd certainly took off—he has taken off and has hardly ever come back. This man is the eternal global wanderer. He termed himself Kevin 07; it is like Kevin 07 and the Zip Pets. For the last 12 months they have shown our nation the light and the sacred drafts. Reflecting back on some of those sacred drafts the Labor Party have delivered to us, it is almost Pythonesque. Remember that Mr Rudd was going to have a new economic zone—a zone of Pacific peace. Apparently Mr Woolcott is the only one who wants to be in it. So far they only have one starter. These are ridiculous, hare-brained, pie-in-the-sky ideas.

Then, of course, we had Fuelwatch. What a bastion of good thought that one was—another example of the acumen of the Labor Party! Maybe that was a one-off, but then we had GroceryWatch, which was another one of their great outcomes. They had a hothouse of thought to develop all of these plans. Then they had the 2020 Summit. Remember that? The world was going to change after the 2020 Summit. That was a brilliant piece of work! I am not quite sure what actually came out of that, but we saw Mr Rudd lounging around with his clipboard and an earnest look on his face as he took down notes, glanced at the camera, took down more notes, got a better angle, better light and then left. What else did we have? Look at the defence forces at the moment. The Australian Navy’s favourite tune is We will be home for Christmas—because they will be. They are shutting down the whole show because of the completely incompetent management, not of the Navy, but of the government that sits behind it.

Then we have the ‘economic conservative’; the man who leads a government that in one fell swoop spent half the nation’s surplus without so much as a model. On 8 December we are going to see the expenditure of this money in pubs and clubs and electronic stores. We will see this money turning into poker machine revenue, into alcohol and into assaults. You will be able to pick a town near you, go to a certain hotel and see part of our nation’s surplus being spent for the social development of this nation. They are the sorts of hare-brained ideas that have been floating out of this government. Behind it all we have an absolute brainchild—the alcopops tax. Remember that one? They were going to raise $3.1 billion and they were going to spend $50 million to stop people drinking. These are the sorts of forces and ideas that truly encapsulate exactly what we have with this government.

The piece de resistance is that they managed to start with a $21.8 billion surplus and have blown it in their first year—and they blame the mining boom for that. The mining boom has not truly peeled off yet. It is an a posteriori complex that we have actually blown the money before the problem arrives. Now we are driving the nation into recession. They will have to borrow
their $10.4 billion back, forcing up interest rates for households around this nation. This is the sort of government we have. It is an absolute debacle, and sooner or later people are going pick up on it.

I agree with Senator Forshaw when he says that this government is the most serious thing to happen to Australia since the financial crisis of the 1930s. He hit it on the head there. It will be a fascinating five-year plan that this Labor government rolls out for us. We have to remember that the Soviet Union had 13—the famous number—five-year plans. Unfortunately, we have the first one coming up to us right now, and it is showing all the hallmarks and acumen— (Time expired)

Question agreed to.

**Australian National Academy of Music**

Senator MILNE (Tasmania) (3.35 pm)—I move:

That the Senate take note of the answer given by the Minister for Climate Change and Water (Senator Wong) to a question without notice asked by Senator Milne today relating to the National Academy of Music.

It is very clear from the answers from the minister today that the government still has many questions to answer in regard to its decision to close the Australian National Academy of Music. In all of his public performances and utterances to date, Minister Garrett has made it very clear why the Australian National Academy of Music was closed. Minister Garrett always refers to the Mills review and the Grant review. I want to put on the record now that neither of those reviews recommended closing the academy. Minister Garrett is misleading the Australian community by constantly imply that the justifications for closure came from those internal reviews. Both of those reviews recommended far greater funding of the academy so that any of the gaps and shortfalls that were identified in the reviews could actually be met. In fact, the Mills review made a series of recommendations. It said that the academy should be funded by $6 to $7.5 million to expand its activities across all orchestral instruments, voice, composition and conducting—and to provide a program that delivered orchestral chamber music and soloist training to 80 musicians and to train music teachers and so on. The Grant review said it should be funded by $6.8 million in 2008, $8.2 million in 2009 and $9 million in 2010, with additional funds required to refurbish its premises.

Funding should be provided to the National Academy of Music on a triennial basis. Neither of those reports recommended closure—let’s get that on the record for a start. Secondly, we did not get an answer from the minister as to what the relationship is and what discussions occurred between the government and the University of Melbourne before the decision was made to close the academy, although I notice that in the media today there has been a statement put out saying in an anecdotal report that, as long as three years ago, the deputy vice chancellor stated that it was the University of Melbourne’s aim for the national academy to be closed down and its budget and students incorporated into Melbourne university.

We saw from Melbourne university the statement of how pleased it was to sign an agreement with Peter Garrett, Minister for the Environment, Heritage and the Arts, for the University of Melbourne to plan and develop a new Australian centre for elite music performance training. We know that Melbourne university is very happy about this in order to secure the federal funding and take over what it sees as the role of the National Academy of Music. But the thing is that the Academy of Music offered very specialist elite performance training that the current University of Melbourne offerings cannot replicate. That is not a criticism of it—that is not what it is designed to do at this time. We also have an appalling situation where the transitional arrangements have not been made clear and some of our top young musicians are now going to be stranded for six months without the level and kind of tuition that they enrolled for and were expecting to be delivered.

That is just not on. It is equivalent to saying to people at the Institute of Sport: ‘We’re going to shut you down, we’re going to start up a new facility in July next year and, in the meantime, we’re going to send you around various universities. You can do other courses and whatever and, in six months time, we’ll put together something that may or may not suit what you enrolled to do.’ It would have been entirely appropriate and much better had the minister at least provided the funding for 2009 to allow a proper consultation and discussion with people at the National Academy of Music—the staff, the students, professional musicians throughout the country—and to make a decision about what is best for Australia. Instead of that, the minister has blundered at the expense of our best and brightest young musicians. It is unacceptable, and I will not allow it to remain on the record that the internal reviews recommended closure. They did not. They recommended more funding. There are a lot more questions to be answered about exactly what went on between the Rudd government and the University of Melbourne before the decision was made to close this academy.

Question agreed to.
PETITIONS

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

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

Whereas,

- item 16525 of the Health Insurance (General Medical Service Table) Regulations 2007 provides for the payment of Medicare funds for the performance of second trimester abortions, that is, abortions as late as 26 weeks of pregnancy;
- Medicare funds have, since 1994 paid $1.7 million for 10,000 second trimester abortions;
- babies as young as 21 weeks gestation have been born alive and subsequently flourished;
- Medicare funds may be used to abort babies through the partial birth abortion method and also for abortion procedures in which the baby is born alive but then deliberately left to die; and therefore

We, the undersigned petitioners, pray that the Senate will disallow item 16525 of the Health Insurance (General Medical Service Table) Regulations 2007 and thereby stop the funding of second trimester and late abortions.

by Senator Barnett (from 15,337 citizens)
Petition received.

NOTICES

Presentation

Senator McEwen to move on the next day of sitting:
That the Joint Committee on the Broadcasting of Parliamentary Proceedings be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 25 November 2008, from 4 pm.

Senator Hurley to move on the next day of sitting:
That the Economics Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 25 November 2008, from 6 pm, to take evidence for the committee’s inquiry into the provisions of the COAG Reform Fund Bill 2008 and two related bills.

Senator Abetz to move on the next day of sitting:
That the Senate—
(a) notes that the comments of various industry figures that the Rudd Government’s so-called consultation with the industry over the Carbon Pollution Reduction Scheme is a ‘one way street’;
(b) agrees with Tasmanian Labor Premier, Mr David Bartlett, who said that the Prime Minister (Mr Rudd) and the Minister for Climate Change and Water (Senator Wong) have ‘got it wrong’ on their proposed emissions trading scheme; and
(c) calls on the Rudd Government to make consultation over the Carbon Pollution Reduction Scheme a ‘two way street’ and ensure it does not drive Australian jobs offshore.

Senator Bob Brown to move on the next day of sitting:
That the Senate—
(a) notes:
(i) the European Parliament’s Committee on Environment, Public Health and Food Safety vote to ban the use of highly toxic pesticides which endanger human health and to require the use of safer alternatives for other pesticides, and
(ii) the committee’s recommendations that farmers should be obliged to inform retailers of the pesticides they use; and
(b) calls on the Minister for Agriculture, Fisheries and Forestry (Mr Burke) to respond to the Senate on the committee’s recommendations that pesticide makers must prove their products do not have a harmful effect on bees before they can be authorised, in contrast to Australia’s House of Representatives Standing Committee on Primary Industries and Resources report, More than honey; the future of the Australian honey bee and pollination industries, which has only recommended better labelling of pesticides that affect bees.

Senator Xenophon to move on the next day of sitting:
That the Senate—
(a) notes that the GROCERYchoice website is of limited usefulness because its surveys are too infrequent and it does not identify individual supermarkets;
(b) calls on the Government and the Australian Competition and Consumer Commission to make the GROCERYchoice surveys and website more useful by:
(i) providing on the website a weekly list of the 10 cheapest supermarkets in each region, and
(ii) conducting weekly price surveys on 100 goods in each supermarket to create these lists; and
(c) considers that if changes to make GROCERYchoice more useful to consumers prove cost-prohibitive or impractical, the project should be abandoned and allocated funding be returned to consolidated revenue.

Senator Eggleston to move on the next day of sitting:
That the time for the presentation of the report of the Economics Committee on the provisions of the Corporations Amendment (Short Selling) Bill 2008 be extended to 6 February 2009.

Senators Hanson-Young and Ludlam to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) 25 November 2008 marks the 9th anniversary of White Ribbon Day, the symbol of the United Nations’ International Day for the Elimination of Violence Against Women, and
(ii) White Ribbon Day marks the start of 16 Days of Activism Against Gender Violence, a global event calling on action to end violence against women;
(b) recognises:

(i) the report released by the White Ribbon Foundation of Australia, An assault on our future: The impact of violence on young people and their relationships, and

(ii) this report identified that one in seven girls aged 12 to 20 have experienced sexual assault or rape, with half a million teenagers revealing they live with violence in the home; and

(c) calls on the Rudd Government, as part of the National Plan to Reduce Violence against Women and their Children, to work constructively to support the introduction of violence prevention programs in all universities and schools as a priority, as part of Australia’s commitment as a signatory to the United Nations Convention on the Elimination of All Forms of Discrimination against Women.

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

That the Senate—

(a) notes that:

(i) 9 December 2008 is the 60th anniversary of the adoption of the Convention on the Prevention and Punishment of the Crime of Genocide, and

(ii) 10 December 2008 is the 60th anniversary of the adoption by the United Nations General Assembly of the Universal Declaration of Human Rights;

(b) pays tribute to those Australians who played leading roles in the development and adoption of these important instruments of international law and who, since then, have contributed to their implementation;

(c) recognises, with regret and disappointment, that in the intervening 60 years, violations of human rights have continued to occur in Australia and in other countries;

(d) affirms that ‘the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want [is] the highest aspiration of the common people’;

(e) declares its own ‘faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women’; and

(f) renews its commitment to the principles contained within the Universal Declaration of Human Rights, and to their promotion within Australia and through Australia’s international policies and activities.

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

That the Senate—

(a) notes that:

(i) Thursday, 20 November 2008 marked the day on which the United Nations General Assembly adopted the Declaration of the Rights of the Child in 1959, and the Convention on the Rights of the Child in 1989, and

(ii) in 2000, world leaders outlined eight Millennium Development Goals, endorsed by 189 nations, to reduce poverty and hunger, to tackle ill-health, gender inequality, lack of education, lack of access to clean water and environmental degradation;

(b) recognises:

(i) that more than 11 million children under the age of five die each year, mostly from preventable diseases, and

(ii) Target 4a of the Millennium Development Goals aims to reduce by two-thirds, between 1990 and 2015, the under five mortality rate; and

(c) calls on the Rudd Government to declare its commitment as a signatory to the United Nations Convention on the Elimination of All Forms of Discrimination against Women.

Senator Siewert to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) in January 2008, the Humane Society International secured:

(A) a ruling from the Australian Federal Court that Japanese whaling in Australia’s Whale Sanctuary in Antarctica is illegal, and

(b) an order that it be stopped, and

(ii) the Australian Government has taken no action to enforce this ruling; and

(b) urges the Australian Government to:

(i) commence legal proceedings in an international court to stop illegal Japanese whaling, and

(ii) send a vessel into the Southern Ocean to monitor Japanese whaling operations for the 2008-09 whaling season.

Senator Ludwig to move on the next day of sitting:

That, upon its introduction in the House of Representatives, the provisions of the Fair Work Bill 2008 be referred to the Education, Employment and Workplace Relations Committee for inquiry and report by 27 February 2009.

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

That the Senate calls on the Government to detail before Parliament rises in 2008, the actions it will take in relation to the concerns about excessive executive salaries expressed by the Prime Minister (Mr Rudd) in both Australian and international forums.

Senator WORTLEY (South Australia) (3.40 pm)—

Following the receipt of satisfactory responses, on behalf of the Standing Committee on Regulations and Ordinances, I give notice that on the next day of sitting I shall withdraw Business of the Senate Notices of Motion Nos 1 and 6 standing in my name for seven sitting days after today for the disallowance of the Defence Force (Home Loans Assistance) Amendment Regulations 2008 (No. 1) and the Wool Services Privatisation (Research Body) Declaration 2008. I seek leave to incorporate in Hansard the committee’s correspondence concerning these instruments.
Leave granted.

The correspondence read as follows—

Defence Force (Home Loans Assistance) Amendment Regulations 2008 (No. 1)
28 August 2008
The Hon Warren Snowdon MP
Minister for Defence Science and Personnel
Suite M1.49
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to the Defence Force (Home Loans Assistance) Amendment Regulations 2008 (No. 1), Select Legislative Instrument 2008 No. 138.
These Regulations permit the use and disclosure of personal information in connection with the administration of the Defence Force home ownership assistance scheme. The Explanatory Statement indicates that there has been consultation with certain Departments, but the Privacy Commissioner does not appear to have been consulted. The Committee therefore seeks your advice as to why the Privacy Commissioner was not consulted.
The Committee would appreciate your advice on the above matter as soon as possible, but before 19 September 2008, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.
Yours sincerely
Senator Dana Wortley
Chair

16 September 2008
Senator the Hon Dana Wortley
Chair
Standing Committee on Regulations and Ordinances
Room SG49
Parliament House
CANBERRA ACT 2600
Dear Senator Wortley
Thank you for your letter of 28 August 2008 concerning the Defence Force (Home Loans Assistance) Amendment Regulations 2008. Your letter on behalf of the Standing Committee sought advice as to why the Privacy Commissioner had not been consulted regarding the provisions on use and disclosure of personal information.
Both the Defence Home Ownership Assistance Scheme (DHOAS) and its predecessor the Defence Home Owner Scheme (DHOS) are complex schemes. The DHOAS has strict transitioning arrangements for applicants previously entitled to DHOS. The use and disclosure provisions in the Regulations were designed to protect the applicants from the administrative process that could inadvertently expose them to double payments, and the recovery process that could follow. The amendments to the Regulations are nearly identical to those in the Defence Home Ownership Assistance Scheme Regulations 2008 and support the operation of the DHOAS as well as the DHOS.
The Regulations do not go beyond the scope of the use and disclosure provisions of the Privacy Act 1988. A report on privacy matters relevant to the scheme and compliance with Commonwealth privacy law has been prepared for Defence by the Australian Government Solicitor. The report noted that the arrangement appeared only to require the sharing of personal information to the extent necessary for the scheme’s proper operation and for the protection of the public revenue.
To ensure that privacy concerns are fully addressed, Defence has forwarded a copy of the report to the Privacy Commissioner and requested she examine the use and disclosure of personal information provisions in both the Defence Force (Home Loans Assistance) Amendment Regulations 2008 and the Defence Home Ownership Assistance Scheme Regulations 2008.
Defence was required to meet strict time constraints to prepare the legislation to support the new home ownership scheme. This prevented a full privacy assessment. In this context, it should be noted that the service providers contracted to deliver aspects of DHOAS must comply with the same standards of privacy protection required of Government agencies.
My contact officer on this matter is Ms Ingrid Singh
Department of Defence
BP33-3-046
Brindabella Park Offices
CANBERRA ACT 2600
Telephone: 02 6127 2404
I appreciate your interest in this matter and trust this information will allay your concerns.
Yours sincerely
Warren Snowdon
Minister for Defence Science and Personnel

25 September 2008
The Hon Warren Snowdon MP
Minister for Defence Science and Personnel
Suite M1.49
Parliament House
CANBERRA ACT 2600
Dear Minister
Thank you for your letter of 16 September 2008 responding to the Committee’s concerns with Defence Force (Home Loans Assistance) Amendment Regulations 2008.
In your response you advise that time constraints prevented the department from conducting a full privacy assessment but that a copy of the report prepared by the Australian Government Solicitor on the privacy implications of the Defence Force Home Ownership Assistance Scheme has since been forwarded to the Privacy Commissioner for her consideration. The Committee would appreciate your advice on the Privacy Commissioner’s assessment of this report.
The Committee would appreciate your advice on the above matter as soon as possible, but before 9 October 2008, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

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

Dear Senator

Thank you for your letter of 25 September 2008 to the Minister for Defence Science and Personnel, the Hon Warren Snowdon MP, concerning the Defence Force (Home Loans Assistance) Amendment Regulations 2008. Given that the Minister is overseas, he has asked me to respond on his behalf in order that timely advice can be provided.

Your letter, on behalf of the Standing Committee, sought advice on the Privacy Commissioner’s assessment of the Australian Government Solicitor’s privacy report for the Defence Force Home Loans Assistance Scheme (the scheme).

Defence is yet to receive a formal response from the Privacy Commissioner. I note your preference to receive advice by 9 October 2008 but regrettably I am unable to respond at this time. Interim advice from the Office of the Privacy Commissioner indicates that the response should be available the week commencing 13 October 2008.

The Minister will write to you once Defence receives a response from the Privacy Commissioner.

I appreciate your interest in this matter.

Yours sincerely
Kim Isaacs
Chief of Staff
Minister for Defence Science and Personnel

10 November 2008

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

Dear Senator


A copy of the privacy report prepared by the Government Solicitor was forwarded to the Privacy Commissioner by Defence, with a request that she examine the personal information provisions in the Regulations and comment on the privacy implications.

The Deputy Privacy Commissioner responded to Defence’s letter on 27 October 2008. The Deputy Commissioner has not identified any issues with the regulations or with the privacy report prepared by the Government Solicitor.

The Deputy Commissioner has advised that Defence appears to be authorised by law to use and disclose the information to other agencies and organisations, in accordance with the purpose of the scheme and exceptions under Information Privacy Principles 10.1(c) and 11.1(d).

The Deputy Privacy Commissioner has made some general recommendations on implementation and development of good privacy practice in the handling of personal information. In particular, he has suggested that Defence review notices and forms that underpin the scheme, to ensure they achieve best practice in relation to the collection of information that is relevant to third parties. Defence will review these matters and take any action necessary to ensure that information is collected in accordance with best practice.

I appreciate your interest in this matter and trust this information will allay your concerns.

Yours sincerely
Warren Snowdon
Minister for Defence Science and Personnel

Wool Services Privatisation (Research Body) Declaration 2008

28 August 2008
The Hon Tony Burke MP
Minister for Agriculture, Fisheries and Forestry
Suite M1.26
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Wool Services Privatisation (Research Body) Declaration 2008 made under subsection 30(1) of the Wool Services Privatisation Act 2000. This instrument determines that Australian Wool Innovation Ltd (AWI) is the research body for the purposes of the Wool Services Privatisation Act 2000.

The Explanatory Statement that accompanies this instrument advises that AWI was declared to be the research body in December 2000 but that its status lapsed in October 2006 when, due to an administrative error, the declaration was repealed by operation of the Legislative Instruments Act 2003. Accordingly, this present instrument is expressed to commence retrospectively from 1 October 2006. The Explanatory Statement also notes that AWI has continued to receive funding between 1 October 2006 and the date of this instrument. It appears that the intention of this instrument, in part, is to retrospectively validate the receipt of those funds. The Committee would appreciate your advice as to whether...
this is the intention of the instrument. If the intention behind this instrument is to validate the receipt of funds, then the Committee would also appreciate your advice as to whether it should be done by primary legislation.

The Committee would appreciate your advice on the above matter as soon as possible, but before 19 September 2008, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair

16 September 2008

Senator Dana Wortley
Chair
Senate Standing Committee on Regulations and Ordinances
Room SO 49
Parliament House
CANBERRA ACT 2600

Dear Senator Wortley

Thank you for your letter of 28 August 2008 about the Wool Services Privatisation (Research Body) Declaration 2008 made under subsection 30(1) of the Wool Services Privatisation Act 2000 (the Act).

On 19 December 2000, the Hon. Warren Truss MP, the then Minister for Agriculture, Fisheries and Forestry, declared Australian Wool Innovation Ltd (AWI) Limited as the research body under subsection 30(1) of the Act. This is a pre-condition to the minister entering into a contract (known as the Statutory Funding Agreement or SFA) with the research body to provide for the Commonwealth paying wool levies, as well as matching funding for eligible research and development expenditure.

Under the Legislative Instruments Act 2003, all legislative instruments are required to be registered on the Federal Register of Legislative Instruments (FRLI). Those instruments which were made in the five years immediately preceding the introduction of FRLI on 1 January 2005 were required to be electronically lodged on the register by 30 September 2006.

While a draft electronic lodgement of the instrument was entered onto FRLI and a hard copy was provided to the Office of Legislative Drafting and Publishing, the office advised the Department of Agriculture, Fisheries and Forestry in October 2007 that the electronic draft had not been finalised on FRLI. As a result, the declaration was repealed by default under the Legislative Instruments Act 2003 on 1 October 2006.

Prior to my remaking the declaration, the department sought legal advice from the Australian Government Solicitor (AGS) as to the validity of the current SFA, including payments made to AWI during the period in which the declaration had lapsed. AGS advised that the repealing of the declaration has not legally affected the validity of the SFA. As the Act gives me the power to both declare a research body and enter into contracts with a body to enable it to receive payments, AGS advised that the declaration of a body appears to be an administrative formality rather than a substantive requirement affecting my ability to contract.

Further, AGS advised that, while the Act requires a research body to be declared in order to receive Commonwealth funds, there is no provision in the Act to suggest that the absence of a declaration would make a contract with that body invalid. As such, AGS concluded there was minimal risk that the SFA (and payments in accordance with it) would be considered invalid by a court of law.

On advice from AGS, as an administrative procedure to ensure AWI would be deemed a research body in relation to payments already made, I remade the declaration with a retrospective clause to 1 October 2006. As the declaration does not impose any liability or disadvantage any person in respect of anything done (or not done) before the date of registration, AGS advised that the retrospective clause is consistent with subsection 12(2) of the Legislative Instruments Act 2003.

During the period in which the declaration was repealed, AWI continued to meet all its responsibilities under the SFA to receive funding and provide research and development services to industry. The retrospective operation of the declaration is intended to clarify the intention that AWI is the declared research body, and to regularise a procedural step that was not adhered to as a result of a technical error.

I trust this information has been of assistance.

Yours sincerely

Tony Burke
Minister for Agriculture, Fisheries and Forestry

25 September 2008

The Hon Tony Burke MP
Minister for Agriculture, Fisheries and Forestry
Suite M1.26
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 16 September 2008 concerning the Wool Services Privatisation (Research Body) Declaration 2008 made under subsection 30(1) of the Wool Services Privatisation Act 2000. This instrument determines that Australian Wool Innovation Ltd (AWI) is the research body for the purposes of the Wool Services Privatisation Act 2000.

In your letter you state that, under the Act, the declaration of AWI “is a pre-condition to … entering into a contract.” However, on advice from the Australian Government Solicitor (AGS), the declaration of a body appears to be “an administrative formality rather than a substantive requirement” affecting your ability to enter into a contract with AWI. Further, AGS seems to suggest that “while the Act requires a research body to be declared in order to receive funds, there is no provision in the Act to suggest that the absence of a declaration would make a contract with that body invalid.”

The Committee finds this distinction somewhat confusing and contradictory. It would appreciate receiving a copy of the AGS advice which draws this distinction, and some further clarification of how a precondition can be seen as a simple
administrative formality. While the declaration of AWI as the relevant research body may have lapsed due to an administrative oversight, it may not be appropriate, or advisable, to use a retrospective legislative instrument as a remedy in these circumstances, particularly as they involve the expenditure of public monies.

The Committee would appreciate your urgent advice on the above matters as soon as possible, but before 9 October 2008, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair

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

Dear Senator Wortley


On 19 December 2000, the then Minister for Agriculture, Fisheries and Forestry, the Hon. Warren Truss MP, signed the declaration of Australian Wool Innovation (AWI) Limited as the wool industry research body. This clearly indicated the Australian Government's intent that AWI be the services body entitled to receive levies and matching government funding for research and development activities. The declaration was only repealed on technical grounds due to an error in finalising the lodgement on the Federal Register of Legislative Instruments database.

The Australian Government Solicitor (AGS) advised that, as the Act allows me to both declare a research body and to contract with a body declared as such, the declaration of a research body can be considered an administrative formality to be followed before contracting rather than a substantive requirement affecting my ability to contract. This is why I advised the committee that the remaking of the declaration is an administrative formality.

As requested, please find enclosed legal advice provided to the Department of Agriculture, Fisheries and Forestry by AGS. As this is an internal government document, I ask that it not be made available to the public.

I trust this information is of assistance.

Yours sincerely
Tony Burke
Minister for Agriculture, Fisheries and Forestry

16 October 2008
The Hon Tony Burke MP
Minister for Agriculture, Fisheries and Forestry
Suite M1.26
Parliament House
CANBERRA ACT 2600

Dear Minister


Enclosed with your letter was a copy of the legal advice provided by the Australian Government Solicitor to the Department of Agriculture, Fisheries and Forestry. This opinion dealt with the relationship between the declaration of a research body and the power to contract with a body declared as such.

Given the apparently inadvertent way in which the problem arose, and the limited jurisprudence in this significant area of the law, the AGS opinion provides a useful analysis of the situation, and the Committee seeks your advice as to why it is inappropriate that the AGS opinion should be made public.

The Committee would appreciate your urgent advice on the above matters as soon as possible, but before 7 November 2008, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair

11 November 2008
Senator Dana Wortley
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG 49
Parliament House
CANBERRA ACT 2600

Dear Senator Wortley

Following our recent correspondence on the Wool Services Privatisation (Research Body) Declaration 2008, your letter of 16 October 2008 requests advice on why I asked that the Australian Government Solicitor's (AGS) legal opinion not be made public.

The Wool Services Privatisation (Research Body) Declaration 2008 corrects an administrative error that resulted in the repeal of the 2000 declaration of Australian Wool Innovation Limited (AWI) as the wool industry services body under the Wool Services Privatisation Act 2000.

I agree there is limited jurisprudence relating to this area of the law. However, my request to not make the AGS legal opinion public, reflects the advice given to me by the AGS and the Department of Agriculture, Fisheries and Forestry's that publishing the advice would waive the lawyer-client
privilege. Moreover, it was never intended that AWI’s status as the wool industry services body be repealed.

I understand that the committee may exercise its discretion to publish the advice but ask the committee to take into account the advice that I have received. Further, I would appreciate the committee informing me of its decision in this regard.

Yours sincerely
Tony Burke
Minister for Agriculture, Fisheries and Forestry

13 November 2008
The Hon Tony Burke MP
Minister for Agriculture, Fisheries and Forestry
Suite M1.26
Parliament House
CANBERRA ACT 2600
Dear Minister

Thank you for your letter dated 11 November 2008 responding to the Committee’s request for advice on why the Australian Government Solicitor’s legal opinion on the retrospective validation of the Australian Wool Innovation Limited as a research body not be made public.

The Committee discussed your reasons for retaining the confidentiality of the advice at its meeting today and has agreed not to publish the legal opinion.

The Committee has also agreed to withdraw its notice of motion to disallow the Wool Services Privatisation (Research Body) Declaration 2008 at the earliest opportunity in the next sitting week.

Yours sincerely
Senator Dana Wortley
Chair

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

That the time for the presentation of the report of the Finance and Public Administration Committee on the Plebiscite for an Australian Republic Bill 2008 be extended to 15 June 2009.

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

That the following matters be referred to the Education, Employment and Workplace Relations Committee for inquiry and report by 12 March 2009:

(a) the financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia;
(b) alternative options and models for the provision of child care;
(c) the role of governments at all levels in:
   (i) funding for community, not-for-profit and independent service providers,
   (ii) consistent regulatory frameworks for child care across the country,
   (iii) licensing requirements to operate child care centres, and
   (iv) nationally-consistent training and qualification requirements for child care workers;
(d) the feasibility for establishing a national authority to oversee the child care industry in Australia; and
(e) other related matters.

LEAVE OF ABSENCE

Senator PARRY (Tasmania) (3.43 pm)—by leave—I move:

That leave of absence be granted to Senator Adams for the period 24 November until the conclusion of our parliamentary sittings this calendar year on account of personal reasons.

Question agreed to.

Senator McEWEN (South Australia) (3.43 pm)—by leave—I move:

That leave of absence be granted to Senator Furner for the period 24 November on account of parliamentary business.

Question agreed to.

COMMITTEES

Economics Committee

Meeting

Senator McEWEN (South Australia) (3.43)—by leave—At the request of the Chair of the Economics Committee, Senator Hurley, I move:

That the Economics Committee be authorised to hold a public meeting during the sitting of the Senate today, from 4 pm, to take evidence for the committee’s inquiry into the provisions of the Corporations Amendment (Short Selling) Bill 2008.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Milne for today, proposing the disallowance of the Environmental and Natural Resource Management Guidelines, postponed till 26 November 2008.

General business notice of motion no. 233 standing in the name of Senator Xenophon for today, proposing an order for the production of a document relating to the Productivity Commission, postponed till 1 December 2008.

COMMITTEES

Economics Committee

Reference

Senator XENOPHON (South Australia) (3.45 pm)—I seek leave to amend business of the Senate notice of motion No. 2 standing in my name for today.

Leave granted.

Senator XENOPHON—I amend the motion by omitting the reporting date of 4 December 2008 and substituting 26 February 2009. I move the motion as amended:
That the following matters be referred to the Economics Committee for inquiry and report by 26 February 2009:

(a) the economic, social and employment impacts of the recent mergers among Australian banks;

(b) the measures available to enforce the conditions on the Westpac Banking Corporation/St George Bank Limited merger and any conditions placed on future bank mergers;

(c) the capacity for the Australian Competition and Consumer Commission to enforce divestiture in the banking sector if it finds insufficient competition;

(d) the adequacy of section 50 of the Trade Practices Act 1974 in preventing further concentration of the Australian banking sector, with specific reference to the merits of a ‘public benefit’ assessment for mergers;

(e) the impact of mergers on consumer choice;

(f) the extent to which Australian banks have ‘off-shored’ services such as credit card and loan processing, information technology, finance and payroll functions;

(g) the impact ‘off-shoring’ has on employment for Australians; and

(h) alternative approaches to applying section 50 of the Trade Practices Act 1974 in respect of future mergers, with a focus on alternative approaches to measuring competition.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Rudd Government

The DEPUTY PRESIDENT—The President has received a letter from Senator Mason proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The Rudd Government’s annus horribilis of missed opportunities, broken promises, and absence of genuine leadership.

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 MASON (Queensland) (3.46 pm)—The matter of public importance today is particularly important. It is important that the Australian Senate reflect upon the anniversary of the election of the Rudd government. The question can be quite easily put: is Australia better off or is it worse off on 24 November this year than it was on 24 November 2007?

Senator Sterle—Yes!

Senator MASON—Australia is demonstrably worse off—

The DEPUTY PRESIDENT—Order! Senator Sterle, it is disorderly to interject at all, but it is even more disorderly to interject when you are not in your seat.

Senator MASON—and even a casual look at the key economic performance indicators of this country for these last 12 months indicates that. Let me go through just a couple before I go on to perhaps even more important circumstances. We heard so much about inflation during the first six months of this government. The genie was out of the bottle. It was the one thing within the target of the government, and they even failed to pursue that properly. Inflation is going up. What has happened with industrial disputes? There has been a six-fold increase in industrial disputation over the last 12 months. What about the real growth of Australian average weekly earnings? Australian average weekly earnings went up over 50 per cent over the last 10 years of the previous government. What have they done under this government? They have already fallen in the first year by a quarter of one per cent. Real average wages have fallen over the last 12 months.

What about consumer confidence? As you would expect, it has plummeted dramatically over the last 12 months. What about retail turnover? What has happened to the small business people that the coalition seeks to represent? Retail turnover has dropped more than seven per cent and it is just in the positive. The retail sector is crying out for help.

Senator Brandis—At Christmas time.

Senator MASON—Indeed, at Christmas time, Senator Brandis. What about the budget surplus? Well, we left about $20 billion in the kitty. You would be aware of that, Mr Deputy President. Already at least half of that is gone. Who knows if there will be any left at all by the middle of next year! I somehow doubt it.

What about small- and medium-sized business sentiment? Well, confidence there has dropped astronomically. The All-Ordinaries index, which, of course, reflects and impinges upon superannuation, has dropped by more than 50 per cent over the last 10 months. There really is a crisis in this country. What is even more disturbing is this: these melancholy trend lines, these dismal trend lines, commenced before the onset of the global financial crisis. That is the point: they commenced before. Business confidence turned down before Christmas last year. So the grand excuse of the government—that it is all the fault of the global financial crisis—simply does not wash. The trend lines were bad; of course, now they are getting worse.

Just imagine for a second if this government had inherited the sort of economy that we inherited from a Labor government in 1996. If the government had come into office in November last year and inherited a government debt of $96 billion, this country would be in dire straits. The interest bill alone would be more
than $10 billion a year, and there would be no buffer between working families and recession. We would be in absolute dire straits. The only reason this country is insulated somewhat from the global financial crisis is a dozen years of very sound economic management. The government secured the healthiest Australian economy ever bequeathed to a new government, and thank God they did, because without it this country would be lying on its back.

But there is something even more important, something more basic—perhaps even more fundamentally flawed—than simple economic failure. It is this: 12 months ago, the Australian people believed they were electing a new government. They did not elect a new government; they elected a bureaucracy. Mr Rudd is a technocrat, a soulless bureaucrat. He is not a conviction politician. To Mr Rudd, politics is no longer about ideas; it is about management. In the Rudd regime, politics is about management. Life under Mr Rudd is like a perpetual 2020 Summit, full of the flummery, bells and whistles of summiteering. We had the apol- ogy, the republic, the tax on alcopops, which Senator Joyce mentioned, and we had politicians’ salaries and Kyoto. Some of that was good, some of that we supported, but it is all bells and whistles. No hard deci- sions have been taken. Now it is the war on everything. Mr Rudd is seeking to invoke the language of war to somehow elevate himself to the island of statesmen. But, to me, he still sounds much more like Sir Humphrey Appleby than Sir Winston Churchill.

The Rudd government combines the worst of bu- reaucracy with the worst of politics. On the one hand, there is the elevation of process over outcomes—that is more important to the Rudd government; process over outcomes—constant ideas about management over leadership and technocracy over policy. On the other hand, all of this is subsumed by and subjected to spin, focus groups, symbolism and a 24-hour news cycle.

I read the other day in, I think, the Weekend Aus- tralian where someone said, ‘Mr Rudd is the first Prime Minister of the 21st century. Mr Rudd is a perfectly modern man.’ I do not know about that. What I do know is this: he now leads the first post-modern gov- ernment. Government does not exist, except as a media event. That is what has happened to this country under the Labor Party. A media event—that is all government is now. Mr Rudd is trying to garner responsibilities as a statesman, he is invoking the language of war, and yet it does not work. Why does it not work? It just does not work with Mr Rudd. What is it? It is a lack of convic- tion, a lack of sincerity. What does Mr Rudd lack? It is not hard work. It is sincerity and conviction. That is what is missing. Perhaps the saddest part, though, of the last 12 months is implementation. Implementation has been an absolute shambles. I remember so well Mr Rudd, standing there before the election, with a laptop computer, saying, ‘This is the toolbox of the 21st cen- tury.’ What did we discover? It was all toolbox and no tools. We have a government of self-proclaimed eco- nomic conservatives who did not even take the trouble to estimate the total cost of this network. They did not even bother to estimate, until July this year. The oppo- sition and the public have still not seen the costs of this proposal. An amount of $1,000 has been allocated for every computer, yet everyone knows and every indica- tion is that it is underbudgeted by billions of dollars—a flagship policy that the government has not been able to deliver.

I listened to poor Senator Carr today in question time today trying to defend the indefensible. The fact is that 10,000 computers have been delivered this year— one per cent of the one million that are supposed to have been delivered. Do you know what the problem is? The state Labor governments will not pay for the ongoing costs of the computers. The capital costs, somewhere between $500 and $700, are virtually ir- relevant. The problem is that the costs of insurance, software, storage, electricity, air conditioning and train- ing teachers to use the computers have not been budget- ed for—and the government knows it. It has been an absolute shambles—a keynote policy has not even been properly budgeted for. In essence, it comes down to this. Half of the Rudd Labor government believe in nothing and the other half believe in policies that are totally unacceptable to the Australian public, and that is the ultimate paradox, the ultimate failure of this gov- ernment.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.56 pm)—The feedback I get from around Australia remains: we have got our country back. For that the Rudd government can take a bow.

Senator Brandis—you are such an apologist!

Senator BOB BROWN—I would expect the honourable senator to say I was an apologist because I say what I think, I say what I mean and I say what I hear. Maybe he could learn from taking the same direction.

That said, with regard to the feedback, you have to ask: why is that? The fact is that if this year has been an annus horribilis—and I hope there are no Latin scholars here—it follows anni duodecum horribilis maximus, 12 particularly dreadful years. The unforget- table thing about those years, the mark of those years, was the locking up of little children, defenceless kids, as well as their mothers and fathers, behind razor wire in the deserts of Australia. That mark, that stain, of the horrible years will always remain with the Howard government. Despite the economic largesse of the pe- riod, we have so gladly moved on. The Prime Minis- ter’s expression of sorrow to the stolen generation was indeed an important milestone in Australian politics, where often there is so little heart and everything is too frequently measured by dollars and budgets, but many
of the things that make Australia and Australians great
are outside the simple parameters of finance, money
and dollars.

The Greens are also celebrating a year of five sena-
tors, and I want to pay tribute to the new senators who
have joined Senator Siewert, Senator Milne and me—
that is, Senator Hanson-Young and Senator Ludlam.
We are a team that is adding to this parliament, particu-
larly in the areas of heart, the areas of humanity and
the areas of environmental debate and progress—a
much needed component in any parliament around the
world when we look at the cataclysmic situation that
the human population, of now some 6.7 billion people,
faces not in coming centuries but in our own lifetimes
and those of our children and grandchildren.

Here is the challenge to this government: will this
country—the wealthiest country on the face of the
planet per capita when it comes to resources and one of
the world’s four oldest continuous democracies—take
a lead in a world which badly needs leadership globally
as well as at home? The big challenge there, of course,
will be in tackling climate change. We look forward to
this government measuring up to the Greens minima of
a 40 per cent reduction—over 1990 levels—in green-
house gas pollution of the atmosphere from this coun-
try by the year 2020 when the Prime Minister and his
Minister for Climate Change and Water, Penny Wong,
make that announcement in the coming weeks. Short of
that, we will be short-selling this wonderful country of
ours.

On nuclear issues, not least uranium mine expansion
and Australia’s support for US weapons of mass de-
struction programs, including so-called missile defence
programs around the world, the government has yet to
show the independence that is needed in a world lead
to get us away from the nuclear madness and insecurity
of the last century. There are great challenges before
the country, which I cannot speak to in five minutes,
but, finally, I would say: what a pity that the pulp mill
in Tasmania, this environmental disaster, is going down
the chute not due to government action but due to the
financial crisis. (Time expired)

Senator ARBIB (New South Wales) (4.01 pm)—I
have to say that I was a little confused when I read
Senator Mason’s matter of public importance today—
in particular, the Latin term ‘annus horribilis’. I have to
admit, Senator Mason, that I have not heard or read
much Latin in my life—and I would be the first to ad-
mit it. I have to say that I do not think many Austra-
lians have spent much time learning Latin. I went back
and did a bit of research. In the 2001 Census, 205
households in Australia reported speaking Latin. In
2006, that number in the census skyrocketed from 205
to 210. So I think I can say, Senator, that most people
would have no idea what you are talking about.

But I decided to do some more research. Senator
Mason believes that we have just had our annus horri-
bilis—or horrible year—but can I say to the good
senator that I believe his argument can be summed up
as ab absurdo. In fact, if you compare the Rudd gov-
ernment’s first year with the Howard government’s
first year—and the loss of seven ministers—you will
certainly come to the conclusion that it was the Liberal
Party and the Liberal government that suffered an
annus terribilis—and in fact just experienced another one.

Senator Faulkner interjecting—

Senator ARBIB—I will take on board the interjec-
tion from my own side. Unfortunately for Senator Ma-
son and the Liberal Party, this matter of public impor-
tance highlights the sheer elitism and born-to-rule men-
tality of those opposite. Senator Mason and the Liberal
Party have learnt absolutely nothing from the last 12
months. They fail to understand why they lost the last
election. They fail to understand why the voters of this
country threw them out of office. In fact, they believe
the voters got it wrong. They believe that somehow
the voters were conned. They think that they were fantastic
managers and deserved another go. Until they under-
stand the reasons for their defeat, they will never be
able to go forward. You need to learn from history to
be able to move forward into the future.

The Liberal Party’s 12 years of government can, I
think, best be described as 12 years of missed opportu-
nities, broken promises and neglect. During the How-
ard government’s 12 years, Australia experienced a
once-in-a-lifetime mining boom. It was a time of
global prosperity. It is in these times of prosperity that
you must build a nation. It is in these times that you
can add to the productive foundations of a country to
move forward into the future. Let us look at the How-
ard government’s record. During this time of global
growth—during this time of mining royalties—they
neglected education. Education investment in this
country was the second lowest in the OECD. Between
1995 and 2004, public funding of tertiary education
increased by an average of 49 per cent across the
OECD but declined by four per cent in Australia. They
neglected our health system. Investment in health by
the federal Liberal Party fell by five per cent in real
terms.

They neglected infrastructure—and you do not have
to ask us; ask BHP. Ask BHP Chairman Don Argus,
who claimed that Australia’s infrastructure capital
stock to GDP ratio fell by a whopping 10 per cent over
the past 12 years. They neglected climate change. They
failed to ratify the Kyoto protocol, they failed to take
any action on renewables and they failed to put in
place a plan for an emissions trading scheme, which
left us as international pariahs on the issue. They ne-
glected inflation. This country and this government
were left with the highest inflation rate in 16 years.

CHAMBER
What did that mean for working families? What did that mean for people with a mortgage? It meant high interest rates. There were 10 straight interest rate rises under those opposite. This country had the second highest interest rates in the OECD. That is your legacy.

In terms of industrial relations, we are not talking about neglect but absolute contempt. What did those opposite do to help workers and working families? They gave them Work Choices and AWAs, which stripped away working conditions of ordinary Australians. That is their legacy of their 12 years. We have had only 12 months in government and when we came to government we said we were going to be preparing Australia for the future. We said that we were here to modernise the country to face future challenges, and that is what we have been doing for the past 12 months.

Some people criticise the Prime Minister for his high work rate and the amount of time he spends at work. I think that is one of the great assets that this country has. When we were elected 12 months ago, one of the first decisions taken by the Prime Minister was to ratify the Kyoto protocol—to come in from the cold, to actually get involved in the international community and to take on the issue of climate change, something that the Liberal Party had neglected for so long. We did not stop there. We then met our commitment to withdraw our combat troops from Iraq. We abolished AWAs and we abolished Work Choices, and this is something that working families everywhere are celebrating. We apologised to the stolen generations—something that so moved the people of this country and that you on the other side just wiped away in one foul movement. These are the things that characterise the past 12 months.

Moving along to the budget, this was a budget that delivered on our commitments: a $55 billion package for working families; massive tax cuts; an increase in the childcare rebate from 30 per cent to 50 per cent; an education tax refund to help families with their education expenses; and first home saver accounts to help young people get a start and get into the housing market—something that you opposite had forgotten for 12 years. You did not even have a housing minister, let alone care about housing. We acted in our first 12 months. That was the budget—real action—and it has not stopped there. Look at the work that has been done through the education revolution. It is not just computers in schools. Funding has been put forward for 116,000 computers, and those computers will be in schools, but it is much more than that. Look at the trade centres that are going to go into those schools and that are being rolled out right now. Look at what the Deputy Prime Minister was talking about today: performance pay for teachers, getting teachers into the disadvantaged schools, and reporting of schools’ progress to ensure that disadvantaged schools are lifted up. They will get extra funding so that no kid is left behind.

We are passionate in this party and in this government about education, because we believe it provides every child with the opportunity to be the best they can—something that you squandered and ignored for 12 years. The figures are there.

**Senator Minchin**—Who’s in charge of the school system? The state governments.

**Senator ARBIB**—I will take the interjection from the Leader of the Opposition in the Senate. The OECD figures show that you completely ignored education. We were the only country that was going backward. That is the legacy of the Liberal Party. This is the good work we are doing, and it is only a start. We know that it is just the beginning. There is a lot more to do and we will be doing it. So I think it is time to wipe away any talk of annus horribilis. This is a country that is on the move, and I am proud of the first 12 months of the government.

**Senator MINCHIN** (South Australia) (4.11 pm)—I am pleased to rise on this, the first anniversary of the election of the Rudd Labor government. I support Senator Mason’s very sensible, timely and appropriate motion and reject the accusations made by Senator Arbib. Most peculiarly, in particular, he attacked the education system of this country, which, as he should know better than anybody, is the responsibility of state Labor governments. It is state Labor governments that should be wearing the shame of this country. As Senator Mason quite properly said, it inherited an economy and a budget that were the envy of the rest of the world. That was the result of 11½ years of extraordinarily hard work by the former government, of which I was proud to be a cabinet minister for nine years. I know full well the extraordinary work it took—with no help from those on the opposite side—to resurrect this economy and to leave the budget in the extraordinary shape which this government has inherited.

This government inherited a budget which is absolutely and utterly debt free—with $96 billion of debt wiped out. When we came to government, we were paying $8 billion a year in interest on the debt which Labor left us. That was more than was being spent on education or defence. That was an extraordinary record for the Labor government, which we had to work so hard to eliminate. We returned the budget to surplus and, in all but two of our 11½ years, the budget was in surplus. We made full provision for the unfunded superannuation liabilities of this nation, which no government before us, in the 100-odd years of this country,
had ever done. We fully provided for the $90-odd billion worth of superannuation which we owed to our former soldiers and public servants. So this government came into government in an extraordinarily fortuitous situation, thanks to the work done by its predecessor—which we on this side are very proud.

What the Labor Party did in coming to government, and in its extraordinary campaign through 2007, was to raise the expectations of the Australian people to extraordinary heights, in an amazingly irresponsible way, which it must have known it could never possibly live up to. We saw a sequence of rash and irresponsible promises made by the party that is now in government, throughout the course of 2007, behind the smiling visage of one Kevin Rudd.

**Senator Faulkner**—Mr Kevin Rudd.

**Senator MINCHIN**—I will take the interjection: Mr Kevin Rudd. What have we seen in the 12 months? We have certainly seen an enormous amount of process—a process driven government. We have seen the spin that is the creature of the state Labor governments now transferred to Canberra. We have seen symbolism of a kind we have never witnessed before at federal government level. We have heard talk of a kind that is breathtaking. And have we ever seen a lot of travel. I was staggered by Ms Gillard, the Deputy Prime Minister, saying on *Insiders* that she has been the Acting Prime Minister for no less than 69 days in the first year of the government. Every time I turn on the TV, I seem to see the Prime Minister’s 737 taking off for another destination. No wonder the government want to get a new fleet of aircraft. They are wearing out the existing aircraft with the travel that Mr Rudd engages in on a constant basis.

What we have not seen is action. We have had 10 months of the government initiating reviews, talks, summits et cetera, and then for the last two months a blind panic reaction to the meltdown on Wall Street and around the world in financial markets. We have seen a panic reaction that involved splashing out $10 billion from the surplus—half the surplus gone in a blink—and a panic reaction in terms of the banks.

This ‘all talk and no action’ is best exemplified, may I say, by Labor’s extraordinary position on their proposed national broadband network. Before the election, Labor spent all their time demonising the coalition about the state of broadband in this country, completely and utterly misrepresenting the truth about the state of broadband in this country. In response, when everybody said, ‘What’s your policy?’ they made the most extraordinarily simplistic, shallow and ill-thought-through policy, which they are now all living to regret. They are all very pleased that poor old Senator Conroy is the one who has to front on this hopeless policy. It was a one-size-fits-all policy where they simply said, ‘We’ll just roll out a fibre-to-the-node network to 98 per cent of Australian homes and businesses and we’ll do it in five years.’ That was the policy—no detail, no structure, nothing. That was all they said. Then they said, ‘And we’ll throw $4.7 billion of taxpayers’ money at it.’ That was the extent of this amazing policy, which they are now stuck with.

They promised in the course of the NBN process that they would select a tenderer to build this thing by the middle of this year. Five months later, of course we do not have a tenderer. The tenders do not even close till Tuesday and there is no way that the preferred tenderer can possibly be selected till next February—15 months after the government was elected. Senator Conroy promised that construction of this thing would begin by the end of 2008. We will be lucky to see it by the end of 2009, if at all.

The only action they have actually taken in relation to broadband has been to come into government and arrogantly cancel the Optus-Elders contract that had been awarded by our government to extend wireless broadband to all those regions of Australia who currently cannot get fixed line broadband. This was a magnificent policy, with $958 million behind it, to extend to rural and regional Australia the sort of broadband services which we in metropolitan Australia take for granted. The only thing that the Labor government have done since they came to office has been to cancel that contract, thus depriving the people of rural and regional Australia of a metropolitan equivalent broadband service, which they would have got by the middle of 2009. At the rate we are going, they are not going to see a broadband service equivalent until about 2013, if they are lucky.

In relation to the tender—which closes in two days time, can I say—we only have one confirmed tenderer and that is the TERRiA consortium, principally backed by Optus, a great company. But three companies have already pulled out of that consortium. The biggest telecommunications company in this country, Telstra, is refusing to bid because the government cannot seem to make up their minds whether they are for or against the structural separation of Telstra. They are so incapable of making a decision about that fundamental issue that the biggest company in the telecommunications industry is refusing to make a bid, thus jeopardising the very process that Labor put in place.

Nothing symbolises more the cynicism and failures of the government after 12 months than the failed and fatally flawed process that has involved the national broadband network. Their failure to deliver the national broadband network on time and on budget shows that it was a cynical and cruel hoax perpetrated on the Australian people at the time of the last election.

**Senator STERLE** (Western Australia) (4.19 pm)—I can take one of two lines in this matters of public importance debate today, and I will take the more mature,
grown-up line. I could feign anger, like Senator Mason, wave my hands around and pretend that I am absolutely disgusted and that the more I raise my voice the more people will be listening out there. But I am above that. We will leave that out of it. Or I could take the Senator Joyce line, where I just prattle on and talk about nothing, as long as I am screaming and going red in the face.

While I am on that, I do want to clarify what I mean by that. I had the misfortune to walk past the television when Senator Joyce was prattling on about something to do with the economic boom and how it is still alive and well around Australia. They were not really his words; it was something like that. I was reading the *West Australian*, that fine Western Australian newspaper, today and I noticed on page 17 an article by one Dawn Gibson. I have not met Dawn yet, but no doubt I eventually will. Dawn was talking about cashed-up bogans. For all those out there who are not aware, cashed-up bogans are those middle-aged people, probably about my age, who all own a V8 and a couple of houses and have made a lot of money on the back of the skills shortage and the mining and commodities boom—which has been fantastic, especially in my home state of Western Australia, as I have no doubt it has been in Senator Joyce’s and your home state of Queensland, Madam Acting Deputy President Moore.

Senator Joyce made the outlandish statement that the boom is still going and that everything is fine. If Senator Joyce does come across to Western Australia to check out how the boom is going or not going—and I do not want to get into Mr Brendan Grylls’s ears about who he should and should not be talking to—he might want to take note of page 17 of the *West Australian* and Dawn Gibson’s article. I would like to quote from it. She interviewed KPMG demographer Mr Bernard Salt. Most of us have heard of Mr Salt and the outstanding work that he does. Mr Salt talks about the mining boom in Western Australia and he says his warning comes amid the following indications:

Global economic woes will impact heavily on WA’s employment market. Several big mining companies, including Consolidated Minerals, Newcrest Mining and Mount Gibson Iron have announced in the past month that they have axed or plan to axe hundreds of jobs because of plummeting metal prices and reduced demand.

Having to requote that article does not make me feel good, but, whether Senator Joyce and other senators opposite want to believe it or not, the world is changing daily. Yes, we have been through a wonderful economic boom, a financial boom, through the commodity markets—especially in the fine state of Western Australia, which has every mineral you could want and more. And, yes, the Commonwealth of Australia and Australian taxpayers and users of infrastructure and the like have made a lot of money out of that. But I do not know how many times ministers will have to get up in question time and reiterate to those opposite that we have a global financial crisis. One would hope that, by now, senators opposite would climb above politics—I take that back; they are not mature enough to actually do that—but I am still waiting for the tooth fairy. One day the tooth fairy may bring you back the tooth you lost when you were four or five years old, Senator Williams and Senator Nash—

The ACTING DEPUTY PRESIDENT (Senator Moore)—Senator Sterle, I remind you to address your remarks through the chair.

Senator STERLE—I am sorry, Madam Acting Deputy President. Through the chair: the tooth fairy may visit senators opposite one day. We are seriously in financial strife around the world. The newspapers are continually telling us that Europe is in recession—and we are tightening the belt financially. One must really wonder what makes sensible mature senators on the other side come out with some of the nonsense that we hear in the chamber daily. The latest from Senator Mason is an absolute pearler. He used the term ‘*annus horribilis*’—for crying out loud!

I would like to touch on a few things the Rudd government has done. I had the privilege earlier this year of accompanying the former President of the Senate—the second best President we have had since I have been here—on a tour of Europe. We visited some European parliaments—the French parliament, the Belgian parliament, the parliament of the Netherlands and the parliament of Austria. Politicians from both persuasions, left and right, wanted to congratulate us, the new government, on two things as we walked into every meeting and every room. Man and woman, shoulder to shoulder, they thanked us and wanted us to take back to the Prime Minister, Kevin Rudd, their sincere appreciation for Australia joining the rest of the world community in ratifying the Kyoto protocol.

In our little part of the world, we sometimes think everything is here. And we are very lucky to be living in Australia and having these conditions for our children to grow up in. But there are some ups and downs, and it takes a change of government to bring things back up again with respect to fairness and equity in the workplace. These European parliamentarians could not wait to thank us on how mature Australia was to finally sign the Kyoto protocol. That makes your chest puff out and you think it is great to be part of the Rudd Labor government. But the second thing they wanted to congratulate us on—and I know your views on Indigenous Australia, Madam Acting Deputy President, and I think you know mine quite well—was the apology to the stolen generation.

Unfortunately, some of the behaviour by the West Australian Liberals when the Prime Minister was making his stolen generation apology was nothing short of disgraceful. But I felt proud to be a member of the
Rudd Labor government. The day of the apology was a beautiful day. I walked to Parliament House, as I do every morning. I came up past Old Parliament House and I could not believe the number of people on the front lawn. It made me feel damned proud to be an Aussie. There were Indigenous Australians and white Australians. I walked into this fine building and had the privilege of seeing the welcome to country, which was absolutely moving. It was certainly supported by all on our side of politics, the government, and fortunately by a lot of the other side. But there were some notable absentees. What a wonderful day it was.

I represent Western Australians of all colours, creeds and religions, which I am proud to do. My job takes me through the Kimberley and the Pilbara a lot.

Senator Faulkner interjecting—

Senator STERLE—We do very well, Senator Faulkner, there is no doubt about that—and I had the privilege of being in the Pilbara last week talking to some Indigenous people. But on my first trip through the Kimberley we were thanked by Indigenous Australians who had tears in their eyes because they were so damned proud to hear the Prime Minister deliver the apology. And I have not seen the sky fall in. This is still a wonderfully fine country. We are still doing all right, even though it is getting harder and harder. Apologising to Indigenous Australians did not bring the country down; it did not collapse the economy.

Apologising to Indigenous Australians and ratifying the Kyoto protocol were the two things the Prime Minister did in the very early days of his prime ministership—and what wonderful initiatives they were. But I do not have the words to respond to the accusation from the opposition. When it first came across my desk, I thought it was a joke. But then I saw that it was not a joke because it had come from the whip’s office. Senators opposite actually sent that disgraceful wording through.

But let us talk about other things that the Rudd Labor government has done. Regardless of what those opposite wish to agree to, Labor was swept to power 12 months ago on a range of issues. In my heart of hearts, there were three very important issues: (1) the environment—quite clearly; (2) the opposition, through former Prime Minister Howard, had delivered no fewer than 10 interest rate rises in a row, leading Australians to think that they could control interest rates and keep them down; and (3), very importantly, Work Choices. That was the bogey. I may as well keep saying it: Work Choices! Work Choices! They do not like to hear it. Thank you very much for giving Australia Work Choices! You did so well that you were thanked by being booted out on your backsides. It was a disgraceful, bastardly act. We saw industrial relations tipped on its head after 100 odd years of Federation in this country. No wonder Australians revolted against you. But they sit there and ask: what has Labor done? What about our Building Australia Fund and our $20 billion infrastructure fund? That is another thing we have had to take up because of the mess that was left for us. (Time expired)

Senator WILLIAMS (New South Wales) (4.30 pm)—Being new to the Senate, as you are well aware, I would like to look back on the 12 months of the Rudd government and the many things that were promised. Like Senator Sterle, who was reading a piece of paper, I read this piece of paper: ‘Kevin Rudd will fix our hospitals. Justine Elliot and Kevin Rudd: new leadership in health policy will fix our hospitals.’

Before going on to the hospitals, I will remind the Senate of a couple of things. I hear so much about interest rate rises. I can recall the 25.25 per cent I was paying under the Hawke-Keating government and the then so-called ‘world’s greatest Treasurer’. We talk about these eight or 10 interest rate rises of increments of a quarter of one per cent at a time. Back in November 1987, if my memory serves me right, there was a two per cent interest rate rise in one day. It took how many years under the Howard government to have that amount of interest rate rise?

Of course, unemployment followed, up to 11 per cent—a million people were out of work. Those working families were thrown onto the unemployment heap by the then Hawke-Keating government. We hear a lot about working families. I must say that I have a bit of a chuckle when I look across the chamber and I think of the shearers, the Australian Workers Union, under the Tree of Knowledge at Barcaldine, who started the Australian Labor Party. I look across there now, and not one of them would know how to load a handpiece, let alone knock the wool off a sheep. I stand here proudly as the only shearer in the chamber, knowing what back-bending hard work is about.

Senator Sterle—I think Bill’s done a bit, mate. You’re being a bit harsh!

Senator WILLIAMS—I think the few that Bill could scratch off you wouldn’t actually call shearing. Anyway, we will proceed. I make the point about our hospitals. Here it is: ‘Kevin Rudd will fix our hospitals.’ Let me just have a look at what has happened in New South Wales under our hospital system. It was only a couple of months ago that I raised the issue that hospitals like those at Gilgandra and Coonabarabran could not provide meat to their patients. Why? Because the bills had not been paid to the small businesses. What sort of a health system do we have in this nation when the bills cannot be paid to small business and the hospitals get their credit cut off? I have seen it in many small businesses, coming from small business myself. I know of one small business in northern New South Wales that waited 12 months to have their bill paid by the Hunter New England health system. So we have a
system in our hospitals where we have the meat supply cut off. That is a disgrace, especially in this nation, where we talk about the wealth and how in New South Wales we are the highest taxed state in the nation. I believe that is still the case—and they cannot pay the bills. So there is where ‘Mr Rudd will fix our hospital systems’.

I look at the Inverell Hospital, in the proud community I come from, one of the communities in country Australia, which has grown from 10,000 to 12,000 people over the last five years. Inverell is a good-sized country town, with 12,000 people. There are about 17,000 in the area of the Inverell Shire Council. At our hospital, we do not have a surgeon—12,000 people and we do not have a surgeon. We used to have two surgeons in the town. What happens when there is an unfortunate incident—for example, a youngster might come down with appendicitis? Oh well, it is into the ambulance and off in a helicopter. As we know, when you come down with something like appendicitis, the clock starts ticking, and the longer the clock ticks the more danger the person’s life is in. So we go off to Armidale.

We are now in the hub-and-spoke hospital system, where we cannot carry out these emergency operations in our town unless it just happens to be one of the days when a visiting surgeon may happen to be in town. I just hope the situation does not arise where we actually lose someone’s life because of this situation of our hospitals being neglected by years of Labor government in New South Wales and by the broken promises of Kevin Rudd that he would fix our hospitals.

I could go on about the health system for ages, but I would like to say this: at our hospital at Inverell—I was talking to a local doctor just recently—we have around 10,000 visits to that hospital a year yet we have no CMOs, no permanent resident doctors, in that hospital. The local GPs have to service that hospital. They also have to run the HN McLean Retirement Village. They also have to run their local surgeries, visit patients all day and have patients attend their surgeries all day. They are overloaded with work. And there is a hospital system that has no permanent CMO to take the workload off our local GPs in the town.

However, when I look at Armidale, they have something like five CMOs in their hospital and they get 15,000 visits a year—15,000 visits and they have five CMO resident doctors to serve their hospital. We are getting 10,000 visits a year and we have no CMO residents. But I suppose there is one difference—when your state member lives in Armidale, not Inverell. Here is the problem we are now facing. What if our local GPs say, ‘The workload is too much and we’re not going to service the hospital’? What sort of emergency department are we going to have?

The biggest promise that the current Prime Minister made to the Australian people prior to the election on 24 November last year—that he would fix our hospitals—was to me the greatest load of misleading information a nation could ever have. Our hospital system is in disarray, not only in country areas of New South Wales. We have heard so much of what has happened in the city hospitals and emergency wards. Even at Port Macquarie, there is a desperate need to improve the hospital, but nothing has been done. In the slashing of the minibudget in New South Wales parliament just recently—we do have a government in New South Wales; I just do not think it is recognised these days—there were another 400 jobs on the North Coast in the health system of New South Wales.

What are we seeing? Over the last 12 months, we have seen a situation where the bucket of money is almost empty. They inherited it full, debt free. And now we have the same problem in New South Wales, where there is no money to go around, where the bills are not being paid and our hospital systems are neglected. But, as we have known for many years, when it comes to running the nation, there is only one side of politics that can run the economy in the way it should be run, and we know that is not the side of Labor. I thank you for the opportunity of speaking.

Senator SIEWERT (Western Australia) (4.36 pm)—This government came into power with a promise of social inclusion. Many in the community took this to mean that the government would be acting on that basis and that part of that social inclusion reform and agenda would be welfare reform. Unfortunately, that is not what we have seen. In fact, we have seen the Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin, and other ministers ‘out-Howard’ Howard in the way they have approached welfare reform.

Instead of reforming the Northern Territory intervention, which we all know had no evidence base and was a knee-jerk, dog whistle approach to how we handle Indigenous disadvantage in the Northern Territory, we have seen the government continuing this discriminatory approach. This is despite the fact that the government, when in opposition, made very strong statements about the Racial Discrimination Act and how it was outrageous that the Northern Territory intervention was exempted from the provisions of the RDA legislation. Unfortunately, we have seen the government putting off introducing racial discrimination legislation to make sure that the Northern Territory intervention complies with the RDA. This has been put off until at least the latter half of next year, I would suggest.

Despite a Northern Territory review saying very strongly that the compulsory nature of income quarantining should be stopped and it all should be done on a voluntary basis, the government have announced they
will continue compulsory income quarantining in the Northern Territory. Then, on top of that, we get the government rolling out income quarantining on a trial basis in my home state of Western Australia, in many towns in the Kimberley and in the Cannington district, which includes about 39 suburbs in the south-west of Perth. That is based on no evidence. There is no evidence base to support this approach. The government came into power saying they would base all of their policies on evidence. There is no evidence base; the government cannot point to any evidence base. In fact, the overwhelming evidence in the Northern Territory and overseas shows that the punitive approach of income quarantining does not work. It is a knee-jerk, simplistic reaction to what are very complex social problems.

The Australian Greens are certainly not saying that we should not be doing anything about child abuse and child neglect. The point is that cutting off people’s income does not deal with these issues. In fact, it can exacerbate the issues, as it has done in the Northern Territory. There is little available funding to address the complex issues that we need to address if we are going to address the underlying causes, such as the still outrageous overcrowding of housing, poor education, poor access to education and poor health outcomes.

When the government made their Indigenous apology on 13 February, they said as part of that that the events would never be allowed to happen again. Unfortunately, it is all happening again. We have racist policies in place in this country that see the same discriminatory approach being taken to Aboriginal Australians. Where is the government’s commitment to getting rid of the RDA exemption? Where is the government’s promise of an evidence base? They are nowhere to be seen. In fact, as I said, the government have been so stridently ignoring the evidence that one might think they have blinkers on.

When I asked in estimates about the evidence base for the income quarantining and what requirements the government would be placing on the Western Australian government to make sure that the services that were required for those being income quarantined would be delivered, they said, ‘All we’re doing is providing a tool. All we’re doing is providing income quarantining as a tool for the Western Australian government to use and apply.’ As I was listening to this, in my mind was being run a scene of Pontius Pilate washing his hands. ‘It’s not our problem,’ they said. ‘It’s the state’s problem. All we’re doing is providing a tool.’

We see a similar sort of approach being taken to the schools requirement bill where the government is proposing that, if a child repeatedly plays truant from school, income support will be cut by up to 13 weeks or in some cases could actually be cut permanently. Again, there is no evidence base. Evidence overseas shows that this punitive approach does not work, that you need to be working with parents and that you need to be providing case support and addressing the underlying causes of nonattendance. These include a whole range of issues. They start with No. 1, the parents having had a bad time at school. No. 2 is about ensuring that the underlying causes, such as poor housing and poor health outcomes, are being addressed. Then it is about making sure that school is culturally appropriate.

In the last few weeks the Northern Territory government have announced that they will be requiring English to be taught for the first four hours of school. I understand that the federal government are encouraging and in fact supporting that approach. That is despite the evidence that shows that bilingual education is having better outcomes. (Time expired)

Senator CAROL BROWN (Tasmania) (4.42 pm)—On 24 November 2007 Australians elected a Rudd Labor government and tossed out an out-of-touch, stale government, a government of core and non-core promises. The opposition matter of public importance motion that we are debating, as bad as it is, shows that the opposition are still out of touch and have no idea of Australian values and ideals. I think Senator Mason may have drawn the short straw on this one. Senator Mason tried hard but it did seem to me that his heart was just not in it—intent on playing the man and not the ball. Why? Because the election of the Rudd Labor government generated a renewed sense of optimism and hope in this country. Indeed, when elected a one year ago, the Prime Minister outlined a firm vision for this country’s future, one grounded in building a fairer and better resourced nation equipped to meet the challenges of the 21st century. A year on and the Prime Minister has stuck steadfast to that original vision and this government is well on its way to delivering on all that which it set out to achieve. A year on and, despite being confronted with what has been billed as the worst global financial crisis since the Great Depression, the Rudd government has remained focused, rolled its sleeves up, dug in its heels and set about doing all that it can do to build a stronger, secure and vibrant future for this nation.

It is hard to begin to list our achievements over the past short year. They are indeed many and of equal value in terms of their significance. For the benefit of those opposite, however, let me begin. In one short year, the Rudd Labor government has set about building a stronger Australia. We have delivered an economically responsible budget boasting a $21 billion surplus, which has put us in good stead during these unusually tough times; taken some of the load off the household budget by providing tax cuts for working families and low-income earners and introducing measures such as the 50 per cent childcare rebate and the education tax refund; and started our education revolution by building trade training centres in high
schools and installing over 116,000 computers in 896 schools, with a ratio of one to two. That is in contrast—as we heard earlier today from Minister Carr—to the Howard government’s ratio of one to eight and up to one to 12. That is indeed a remarkable difference.

We have also invested more than $2 billion in trade training places in the VET sector over the next five years and embarked on a nation-building program and committed $26 billion to three new building Australia funds, which include the Building Australia Fund for transport and communications infrastructure, the Education Investment Fund for education and infrastructure and the Health and Hospitals Fund for improved health infrastructure.

On top of this, the government also announced the $10.4 billion Economic Security Strategy to stimulate the Australian economy and further support Australian households. The strategy includes an immediate $4.8 billion down payment on pension reform; $3.9 billion worth of financial support payments to low- and middle-income families; $1.5 billion worth of assistance for first home buyers; the creation of 56,000 new trade training places in 2008-09; and the acceleration of the implementation of the government’s nation-building funds to 2009.

The government has also committed to guaranteeing all depositors and all deposits on term funding in all Australian banks, building societies and credit unions for the next three years. On 10 November the government announced a $6.2 billion investment in a New Car Plan for a Greener Future. More recently the Rudd Labor government delivered $466 million to local councils across the nation. Councils in my home state of Tasmania will share in over $8 million of funding, which will help them deliver vital infrastructure to their local communities.

The Rudd Labor government also made a firm commitment to making Australia not only stronger but fairer. Indeed, some of the government’s most significant actions since being elected have arguably been in the area of social reform. In the past year it has taken the first important steps toward bridging the gap between Indigenous—

The ACTING DEPUTY PRESIDENT (Senator Moore)—Order! The time for this discussion has concluded.

MINISTERIAL STATEMENTS

Citizenship Test

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (4.47 pm)—On behalf of the Minister for Immigration and Citizenship, Senator Chris Evans, I table a ministerial statement relating to the review of the citizenship test, together with a report by the Australian Citizenship Test Review Committee.

Senator FIERRAVANTI-WELLS (New South Wales) (4.48 pm)—by leave—I move:

That the Senate take note of the statement.

Can I say at the outset that I am pleased that the government has decided to continue with the coalition’s citizenship test and that it will continue to be in English. An understanding of the English language is crucial. Migrants with better English skills will be better able to settle, take advantage of the opportunities of our great country and find employment.

The citizenship test was set up to encourage citizenship and to promote citizenship as the single most unifying force in our community. The coalition supports the testing of values, which was part of the old test, but we are disappointed that Australian history and cultural elements will no longer be tested. It is important that the changes do not lose the focus of those core values and beliefs that underpin our Australian way of life. Our history and culture are an important component of new citizens understanding the Australian way of life. We believe that a basic understanding of Australian history and culture helps newcomers to understand how our values and democracy evolved. Most new settlers will never have had any other exposure to our history, certainly not in our schools to any great extent.

The citizenship test is an important values document. New Australians should fully understand and embrace not only the rights but the responsibilities that being an Australian citizen brings. Any changes to the test should not remove the values. Australia should be proud of its history and have confidence in its future as one of the world’s most stable democracies, where men and women are treated equally and the rule of law is paramount.

A citizenship test will ensure a level of commitment to these values and this way of life for all Australians, regardless of where they may originally come from. If people have the knowledge and, more importantly, an appreciation of the events that have shaped this country and the institutions that have been established as a result, it will help foster a nation of people with a common purpose. Many Australians agree that citizenship is a privilege, not a right. This, more than anything, is why the introduction of a citizenship test was not only supported by many Australians but also acknowledged as being a key part of maintaining our national identity.

I would like to take issue, however, with the minister’s assertion that the test had become a test on Australian trivia. The minister states:

…our citizens are expected to be collegiate in our society to obey the rule of law, and to be civic-minded …

This was the reason why the old test had mandatory questions which focused specifically on the rights and responsibilities of citizenship. The media focus on the Bradman question and, indeed, the minister’s statement about other aspects of our Australian way of life regret-
tably seek to trivialise the debate. The question on Sir Donald Bradman was a sample question. However, it seems to have been taken as the focus of the need for change. There were other questions which were part of that component, but there were no questions, to my knowledge, in relation to the Heidelberg School or the South Australian festival, and regrettably this is misleading commentary by the minister.

In any case, the coalition is pleased that the government has committed to retaining the test, which has been a highly successful initiative since its introduction by the Howard government in October 2007. Despite some criticisms levelled at the test, it has not acted as a deterrent in the path to Australian citizenship. I note that the minister specifically commended the Howard government’s initiatives of allowing the translation of the resources book into other languages and of funding citizenship education programs for migrants. According to the Australian citizenship test snapshot report of October 2008, about 71,000 applicants sat the Australian citizenship test between 1 October 2007 and September 2008 and about 48,000 applicants to 30 June. About 68,000 applicants or 96 per cent passed the test on their first or subsequent attempts.

The department has administered about 87,000 tests, including resits where applicants did not pass the test on their first attempt. On average, about 1.2 tests have been administered per applicant and the percentage of skill stream applicants who pass the test on their first or subsequent attempt is 99 per cent and the percentage of family stream applicants who pass the test on their first or subsequent attempt is 94 per cent. The percentage of humanitarian program applicants who pass the test on their first or subsequent attempt is 83 per cent, which is up from 30 June.

While the minister lamented lower rates of refugees passing on their first attempt, given that many of these people are not literate in their home language a pass rate of 83 per cent is a very commendable result. The minister does not say how many pass soon after on their second attempt. I think changing the questions to values rather than values and history is not likely to change refugee pass rates. What refugees need is better English language teaching in Australia. Also, we need to know who will decide those people who will have the computer citizenship test instead of the English language version of the test. It would be a terrible shame if we were to destroy the one opportunity that some refugees might have to be supported in learning English that will help them in their employment and community participation prospects, just like the African woman referred to by the minister. It is important that we extend to people the assistance required to sit the test. The coalition welcomes initiatives to extend that support.

The report makes assertions that some applicants in the humanitarian program are not taking the test for fear of failing. This does not appear to be backed up by statistics recently given in Senate estimates. The report indicates that a citizenship course should be developed to provide alternative pathways. I note in this context that the coalition provided alternative methods for some cases. When the Howard government introduced the citizenship test, it did so after considerable consultation. A discussion paper was released and over 1,600 responses were received to the paper. Minister Robb then held round table consultations with over 100 representatives from ethnic, settlement, education, sporting, business, religious and community groups, as well as state and territory governments all over Australia. This is far more than the 130 organisations and individuals with which the committee of review consulted. In any case, the coalition welcomes the review. Indeed, when the test was introduced, it was based on an understanding that it would come under review, and we acknowledge that this has been part of an evolving process.

While the coalition welcomes the decision of Minister Evans to retain the coalition’s test in the English language, we have seen nothing of the actual substance of any changes to the test. So we raise a number of questions in relation to the recommendations. Is the government watering down the English requirement in recommendation 3 by changing the requirement from ‘basic knowledge’ to ‘sufficient knowledge’ of English? I refer specifically to paragraph 5.4 at page 20 of the report. Recommendation 11 refers to there being no mandatory questions. I ask: will an applicant be able to pass the test without adequate knowledge of their rights and responsibilities as an Australian citizen? One of the reasons that people fail the test is that they do not pass the mandatory rights and responsibilities questions.

In relation to recommendation 9 is the question about professional educators rewriting the test. Who is chosen will be very important. We would appreciate some clarification as to who will be given this task and how they will be chosen so as to ensure consistency and balance. In relation to recommendation 16, it is important that clarification be given about competency based assessment so as to ensure that, in practice, this is not walking away from the test. We welcome any clarification from the government in that respect. It is important that the English requirement not be watered down. Will this mean that applicants will be able to pass without knowing their rights and responsibilities? Will this mean lowering the requirement of the test to the level of someone who is semiliterate in their own language—to quote from the minister’s statement. The coalition is concerned that the test may be weakened. We would of course welcome clarification there.
In conclusion, we support in principle the changes proposed. However, we would welcome clarification by the government on some of the questions that we have raised, and we will await those details to be provided.

Question agreed to.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Ellison)—Pursuant to standing orders 38 and 166, I present the following documents which were presented to the President and temporary chairs of committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—

Committee reports


3. Community Affairs Committee—Report, together with the Hansard record of proceedings and submissions received by the committee—Aged Care Amendment 2008 Measures No.2) Bill [Provisions] (presented to temporary chair of committees, Senator Forshaw, on 20 November 2008, 12:15 pm).

4. Rural and Regional Affairs and Transport Committee—Report, together with the Hansard record of proceedings and submissions received by the committee—Water Amendment Bill 2008 [Provisions] (presented to temporary chair of committees, Senator Forshaw, on 20 November 2008, 3:59 pm).


Government documents


Ordered that the committee reports be printed in accordance with the usual practice.

DOCUMENTS

Responses to Senate Resolutions

The PRESIDENT—I present the following responses to various Senate resolutions:

(a) from the Premier of Queensland (Ms Bligh) to a resolution of the Senate of 16 September 2008 concerning Murray-Darling Basin system;

(b) from the Attorney-General (Mr McClelland) to a resolution of the Senate of 13 October 2008 concerning the death penalty; and

(c) from the Minister for Families, Housing, Community Services and Indigenous Affairs (Ms Macklin) to a resolution of the Senate of 16 September 2008 concerning single age pensions.

COMMITTEES

Economics Committee

Additional Information

Senator O’BRIEN (Tasmania) (5.00 pm)—On behalf of the Economics Committee, I present an addenda to the reports of the committee on the provisions of the Tax Laws Amendment (2008 Measures No. 5) Bill 2008 and the provisions of the Temporary Residents’ Superannuation Legislation Amendment Bill 2008 and a related bill.

Ordered that the documents be printed.

Treaties Committee

Report

Senator McGAURAN (Victoria) (5.00 pm)—On behalf of the Joint Standing Committee on Treaties, I present report no. 96 of the committee, Treaties tabled on 16 September 2008. I seek leave to move a motion in relation to the report.

Leave granted.

Senator McGAURAN—I move:

That the Senate take note of the report.

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

Leave granted.

The statement read as follows—

Report 96 contains the Committee’s findings on two treaty actions tabled on 16 September 2008. The Committee found both treaties reviewed to be in Australia’s national interest.

The Agreement with the World Intellectual Property Organization in relation to the functioning of the Australian Patent Office as an International Preliminary Examining Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty will extend an existing internationally prestigious appointment for the Australian Patent Office.
The Agreement is necessary for Australia to function as a competent search and examination authority for international patent applications and will eliminate unnecessary repetition and provide significant cost savings for patent applicants.

In its consideration of this Agreement, the Committee noted that the Agreement received very positive support from industry and professional organisations. In addition, becoming a signatory to the Agreement would not impose any additional costs to Australia above Australia’s existing annual membership contribution to WIPO of about $750,000.

The Committee was informed that as IP Australia is the only international authority Australian patent applicants can use, there would, however, be a cost to industry if the Agreement does not proceed.

Therefore the Committee recognises the advantages to Australian business and industry arising from the appointment of the Australian Patent Office as an international authority, as well as the contribution that this appointment makes to Australia’s international standing in intellectual property fora.

The Partial Revision of the 2004 Radio Regulations, as incorporated in the International Telecommunications Union Final Acts of the World Radiocommunications Conference (WRC-07) proposes that Australia consents to be bound by the Partial Revision of the Radio Regulations, as incorporated in the Final Acts of the World Radiocommunications Conference (WRC-7).

The Committee recognises that this agreement would align Australia with the rest of the world in its regulation of the radiofrequency spectrum. While under the Agreement, Australia would retain its sovereign right to control transmissions within and into its territory and to protect Australian users from interference from foreign systems, the Agreement makes a number of changes that impact on the international allocation and use of the radiofrequency spectrum. Some of the key changes include:

- the identification of new bands for international mobile telecommunications;
- updating international regulations related to maritime mobile services to reflect current maritime communications technology, including distress and safety transmissions within the Global Maritime Distress and Safety System;
- enhancing and modernising aeronautical security and civil aviation telecommunications systems;
- extending the primary frequency allocations for earth-exploration satellite services which monitor natural emissions of planets with consequent applications such as predicting and monitoring natural disasters and meteorological and climate change; and,
- approving proposals for the further development of satellite systems using highly inclined orbits and high altitude platform stations as well as the compatibility and sharing between different space and terrestrial services.

In addition the WRC-07 revisions also advocated the development of spectrum management guidelines for radiocommunications in emergency and disaster relief, as well as identification and maintenance of available frequencies for use in the early stages of humanitarian assistance in the aftermath of a disaster.

There are no costs to Commonwealth, State or Territory Governments arising from the proposed treaty action and Australian industry and Government representatives were consulted with there being general support for the proposed treaty action.

However the Committee did receive a submission from various Western Australian agencies that raised concerns in relation to band reallocation and the impact this would have on law enforcement agencies. The Committee considers it would be prudent for the Government to give further consideration to these concerns.

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

COMMITTEES

Membership

The PRESIDENT—I have received a letter from a party leader seeking variations to the membership of committees.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.01 pm)—by leave—I move:

(a) Senator Parry be discharged from and Senator Troeth be appointed to the Environment, Communications and the Arts Committee; and

(b) Senator Fierravanti-Wells be discharged from and Senator Parry be appointed to the Finance and Public Administration Committee.

Question agreed to.

SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (ECONOMIC SECURITY STRATEGY) BILL 2008

APPROPRIATION (ECONOMIC SECURITY STRATEGY) BILL (No. 1) 2008-2009

APPROPRIATION (ECONOMIC SECURITY STRATEGY) BILL (No. 2) 2008-2009

First Reading

Bills received from the House of Representatives.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.03 pm)—I move:

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

Question agreed to.

Bills read a first time.

Senator STEPHENS—I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to these bills.
I table a statement of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (ECONOMIC SECURITY STRATEGY) BILL

APPROPRIATION (ECONOMIC SECURITY STRATEGY) BILL (No. 1) 2008-2009

APPROPRIATION (ECONOMIC SECURITY STRATEGY) BILL (No. 2) 2008-2009

Purpose of the Bills

The Social Security and Other Legislation Amendment (Economic Security Strategy) Bill amends the social security law, the family assistance law, the Veterans' Entitlements Act 1986 and the tax law to provide for payments to pensioners, seniors, people with disability, carers, veterans and families with dependent children, as announced by the Government on 14 October 2008 as a key part of its $10.4 billion Economic Security Strategy.


Further annual appropriation bills are required, in particular, to fund the expansion of the First Home Owners Grants scheme and additional employment training places as announced on 14 October 2008. The additional funding required exceeds what is currently available to the departments and from the Advance to the Finance Minister. The 2008-2009 Additional Estimates Bills are not expected to be agreed to by Parliament until the end of the 2009 Autumn Sittings. Consequently, a set of supplementary bills is required to ensure implementation of the Strategy.

Reasons for Urgency

As announced, payments are to be made to pensioners, seniors, people with disability, carers, veterans and families by Centrelink and the Department of Veterans’ Affairs in the fortnight commencing 8 December 2008. Enactment of the legislation by 5 December 2008 will meet the Centrelink system release date of 6 December 2008. That system release is essential to making the payments on time and delivering this immediate financial support to pensioners, seniors, carers and families during the global financial crisis.

If timely passage is not granted to the supplementary appropriation bills, payments to the States and Territories for implementation of the boost to the First Home Owners Grants will be delayed, requiring the States and Territories to continue to meet these payments from their own sources.

(Circulated by authority of the Minister for Families, Housing, Community Services and Indigenous Affairs and the Minister for Finance and Deregulation)
were also eligible for seniors’ concession allowance on that date.

Those pensioners and seniors not actually receiving a qualifying payment on 14 October 2008 will still get the Economic Security Strategy payment if they had claimed the qualifying payment by that date and later have their qualifying payment backdated to cover that date. Similar backdating arrangements will apply for qualifying cardholders.

The Economic Security Strategy payment for this group of Australians will be $1,400 for singles, $2,100 combined if both members of a couple receive a qualifying payment and $1,050 if only one of the couple does.

A separate Economic Security Strategy payment will go to people receiving the non-means tested social security income supplement – carer allowance.

People who were receiving carer allowance on 14 October 2008 will be paid $1,000 for each eligible person they care for. If the carer allowance for one care receiver is shared between two or more carers, the Economic Security Strategy payment will be similarly shared. Where receipt of one payment of carer allowance depends on the person providing care for two care receivers, the payment will also be $1,000.

The bill also provides for Economic Security Strategy payments to deliver immediate financial support to around two million Australian families with dependent children.

A payment of $1,000 will be made for each child eligible for family tax benefit Part A at 14 October 2008. The same $1,000 payment will be made for each dependent child who, at 14 October 2008, was either eligible for or received youth allowance, ABSTUDY living allowance or an education allowance under the Veterans’ Children Education Scheme or the Military Rehabilitation and Compensation Act Education and Training Scheme.

If any of these qualifying payments for families is shared between two people under the usual rules for that payment, the payment will be similarly shared.

There will be provision for payments for families to be made where the qualifying payment is not actually being received on 14 October 2008 but is subsequently backdated to cover that date. For example, the small number of families who claim their family tax benefit Part A annually as a lump sum will get their Economic Security Strategy payment when their 2008-09 income assessment has been finalised and their family tax benefit lump sum is paid.

The bill will make further amendments to allow payments for pensioners, seniors, carers and families to be made with no need for a claim. As well, they will not count as income for social security, family assistance and veterans’ entitlements purposes, and will be tax-free.

Lastly, the bill will allow the relevant ministers to establish, by legislative instrument, administrative schemes to provide payments in circumstances where the statutory regime does not produce an appropriate result.

Through this bill the Government is moving decisively to make the already strong Australian economy more resilient – at the same time supporting pensioners and families through the global financial crisis.
50,000 jobseekers have enrolled, and over 11,000 have already completed training in an area of skills shortage. When combined with other measures, this investment means that the Economic Security Strategy is expected to create about 75,000 additional jobs for Australians. For jobseekers, it means improved opportunities for training and employment. For industry, it means better employees, with the skills they need to build a more competitive and productive Australian economy – for today and for the future.

As well as investing in Australia’s economic future, the Economic Security Strategy provides critical measures which recognise the impact the global financial crisis is having on the budgets of seniors, pensioners, carers and families.

For Australian families, the Economic Security Strategy means $3.9 billion in immediate financial support. Around 2 million families will be eligible for a $1,000 bonus payment for each child. The bonus payment is recognition that many Australian families are doing it tough – particularly as the global financial crisis comes off the back of rising living costs.

For pensioners, the Economic Security Strategy brings $4 billion in additional payments. Those in receipt of aged, disability, carer and veterans’ pensions, as well as self-funded retirees with a Commonwealth Senior Health Care Card, will receive a $1,400 payment for singles, and $2,100 for couples. These payments are one way the Government can support pensioners during these difficult economic conditions.

The legislation before the house will facilitate these payments. Funding of $17.2 million is proposed for the administrative costs in implementing the one-off lump sum payment to Australian pensioners and families I have outlined. The Department of Families, Housing, Community Services and Indigenous Affairs will receive some $16.5 million, with almost $0.64 million going to the Department of Veterans’ Affairs. This funding will enable the payment from 8 December 2008 of immediate financial support to Australia’s four million pensioners, carers and seniors and around 2 million low and middle income Australian families.

The Department of Families, Housing, Community Services and Indigenous Affairs will also receive $11.55 million to conduct a public information campaign, to ensure that those eligible recipients to the one-off lump sum payment and the First Home Owners Boost are advised of their entitlement.

Through the Economic Security Strategy, we’ve acted swiftly and decisively to support the Australian economy. I commend the bill to the Senate.

I commend the bill to the Senate.

The First Home Owners Boost will be available to eligible first home buyers who enter into a contract between 14 October 2008 and 30 June 2009.

To implement the measure, Appropriation (Economic Security Strategy) Bill (No. 2) 2008-2009 proposes an appropriation of some $1.2 billion for the Department of the Treasury to pay to the States and Territories. Those payments will cover the increased costs that the States and Territories are expected to incur during 2008-09.

This initiative will help strengthen the Australian economy during difficult global economic times. It will build a stronger Australian housing market, and make home ownership accessible to more Australians.

I commend the bill to the Senate.

Debate (on motion by Senator Stephens) adjourned.

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

NATIONAL MEASUREMENT AMENDMENT BILL 2008

First Reading

Bill received from the House of Representatives.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.05 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 STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.05 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—

NATIONAL MEASUREMENT AMENDMENT BILL 2008

The National Measurement Amendment Bill 2008 is a bill to amend the National Measurement Act 1960. This legislation will establish a single trade measurement system for Australia, replacing the current fragmented situation in which each State and Territory has a separate system.

The Government is committed to reducing the regulatory burdens on Australian business and has embarked on an ambitious reform agenda through the Council of Australian Governments (COAG).

COAG has endorsed a business regulation reform agenda designed to advance Australia towards a seamless national economy.
COAG’s Business Regulation and Competition Working Group has been directed to deliver early action on the regulatory reform “hot spots” identified by COAG in 2006 and again in 2007. The area of trade measurement is one of the 10 identified regulatory “hot spots”.

“Trade measurement” is a term that refers to the use of measurement as the basis for the price in a transaction. For example, by measuring the volume of fuel delivered from a petrol pump, a service station determines the total price you pay to fill your car’s petrol tank.

A ‘trade measurement system’ is the term used to describe the infrastructure that is needed to make sure the petrol pump (or any other trade measuring instrument) is sufficiently accurate to give a fair result to the buyer and seller.

In Australia, an estimated $400 billion worth of trade based on some kind of measurement takes place annually. Transactions involving measurements range from simple consumer purchases at the corner shop to complex multi-million dollar international trade deals.

So, why does government need to be involved in these market processes? Well, consider how onerous it would be if traders had to prove to every customer that they had weighed each purchase accurately. Similarly, how difficult it would be for a packing house to prove to each purchaser that their cereal packet is filled with the stated amount. Also, think how wasteful it is for wine producers to sacrifice product to prove that a wine bottle is filled correctly.

A trade measurement system helps overcome these difficulties. It gives confidence to buyers and sellers that measurements are accurate and this reduces transaction costs in each trade.

Trade measurement is a classic example of a proper role for government in establishing the infrastructure that makes it possible for markets to operate efficiently and effectively.

But Australia’s current trade measurement infrastructure is not operating as efficiently and effectively as it should. This is why the Rudd Government is introducing this historic legislation. We are determined to create a truly national system that will deliver productivity improvements throughout the economy to the benefit of all Australians.

To describe how significant this change to Australia’s trade measurement system will be, let me set out a bit of history.

Prior to Federation, each British colony in Australia had its own weights and measures system. When the Constitution was drawn up, the Commonwealth’s constitutional power for weights and measures was established under section 51 – subsection 15. However the scope of “weights and measures” in 1901 was limited almost exclusively to measurements of mass and volume, and trade was very much more a local matter than it is today. Without a pressing need for national administration, the States retained responsibility for their various trade measurement systems.

However, within several decades, the desirability of having nationally consistent rules and practices was evident and has been the subject of a number of reviews and inquiries.

Two reviews in particular have been influential.

In 1983, the Scott Review recommended a national approach to the administration of trade measurement. The recommendation resulted in drafting of Uniform Trade Measurement Legislation. Unfortunately it took more than 20 years for all jurisdictions to enact this legislation. Despite the uniform format of the legislation, practical problems persisted. This was largely because the amendments to legislation were not adopted simultaneously, the interpretation of regulations varied between jurisdictions, and there were different approaches to administration.

In 2006, the Ministerial Council on Consumer Affairs commissioned a review of trade measurement arrangements. The problems identified by stakeholders included unwarranted costs to businesses that operate across borders, different cost recovery procedures in different jurisdictions, different processes for licensing private sector verifiers of trade measuring instruments, and inconsistent advice being provided about trade measurement requirements.

This review concluded that the adoption of a national trade measurement system would deliver a net economic benefit to Australian industry, business, government and consumers. In April 2007, COAG accepted this recommendation.

The National Measurement Amendment Bill gives effect to this COAG decision. And it will create a legislative framework for a national trade measurement system that will be administered by the Commonwealth from 1 July 2010.

The bill recognises that many elements in the existing model, the Uniform Trade Measurement Legislation, have stood the test of time. The bill adopts those elements where appropriate, but frames them in a way that will be responsive to future needs and improvements in business practices and technologies.

The new national system will continue to ensure the accuracy and reliability of traditional trade measuring instruments such as scales, fuel dispensers and weighbridges. However, it provides the flexibility for new technologies to be introduced as business or consumers require additional assurance. For example, the price of grain is set by measuring grain protein and both the grain growers and grain receival sites need confidence that accurate results have been used to determine the price.

The new system will set uniform practices for each class of measuring instruments. Traders who operate across Australia will be able to use one set of procedures, rather than meeting different sets in the different States.

The bulk of verifications of trade measuring instruments will continue to be performed by the private sector, with firms or individuals licensed on the basis of competence and integrity. However, multiple licensing for cross-border operation will no longer be required, with one licence being valid for operation across Australia.

Licensees will continue to be responsible for ensuring that their employees are competent to perform verifications. Currently the means of demonstrating competence varies across jurisdictions. In implementing the national trade measurement system, the Commonwealth will develop nationally-recognised qualifications for verifiers, providing a harmonised platform for skills development in the workforce.

As in State and Territory trade measurement systems, government will perform an inspection function to ensure that traders and licensees are maintaining the accuracy of trade measuring instruments. Trade measurement inspection is a routine activity in business premises and State and Territory inspectors conduct this work without requiring warrants. Infrequently, access to residential premises is necessary and
this must occur under warrant. To facilitate an effective inspection regime, these powers have been replicated for Commonwealth inspectors. They will be able to inspect, examine and test measuring instruments, examine and test prepacked articles, investigate alleged offences, search and seize records, measuring instruments and prepacked articles, subject to Commonwealth codes covering investigatory practices. These inspection procedures have long been accepted in the marketplace as part of the cost of doing business and ensuring fair trading.

The current trade measurement systems also examine prepackaged goods to confirm that packages contain the stated quantities. At the request of wine producers and major packers, this new legislation includes the option for production-line packers to use an internationally-agreed system to demonstrate compliance with quantity statements. This system – the Average Quantity System (or AQS) – has already been adopted in New Zealand and by many of Australia’s major trading partners, including Japan, the European Union and the United States. AQS is now available to production-line packers to adopt voluntarily in instances where it is a more efficient means to demonstrate compliance and to align with international practice.

The bill provides the heads of power for all the necessary elements in a national trade measurement system. As with the current trade measurement system, the bill provides for the technical and administrative detail required to operate the system to be specified in regulations.

The bill provides the legislative framework for the national trade measurement system by amendment of the National Measurement Act 1960. This Act already defines technical infrastructure that the Commonwealth delivers to support trade measurement – such as maintaining Australia’s measurement standards and approving the design of trade measuring instruments – and the National Measurement Institute performs those functions. Therefore it is a logical progression to expand the National Measurement Act to encompass a national trade measurement system, and to designate the National Measurement Institute as the body responsible for administering the system.

This Government is serious about creating a seamless national economy unhampered by unnecessary duplications, overlaps and differences in regulation. In particular, we are determined to remove those inconsistencies that create unnecessarily complex and costly burdens on business.

I am pleased to introduce a National Measurement Amendment Bill that brings these necessary reforms to Australia’s trade measurement system.

Debate (on motion by Senator Stephens) adjourned.

SOCIAL SECURITY LEGISLATION AMENDMENT (EMPLOYMENT SERVICES REFORM) BILL 2008

Report of Education, Employment and Workplace Relations Committee

Senator MARSHALL (Victoria) (5.06 pm)—I present the report of the committee on the Social Security Legislation Amendment (Employment Services Reform) Bill 2008 together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

NATIONAL RENTAL AFFORDABILITY SCHEME BILL 2008

NATIONAL RENTAL AFFORDABILITY SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2008

Second Reading

Debate resumed.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.07 pm)—Before question time, I was summing up the debate on these bills and starting to discuss the concerns of opposition senators and senators on this side of the chamber about ensuring that we were reducing greenhouse gas emissions and improving sustainability. We are also developing a national strategy for energy efficiency across all governments to accelerate energy efficiency efforts, and this strategy will also help households and businesses prepare for the introduction of the Carbon Pollution Reduction Scheme. The National Rental Affordability Scheme is consistent with the government’s policy direction on climate change and energy efficiency. Sustainability is one of the five criteria against which all applications for incentives under the scheme will be assessed. Dwellings which have building and design features that reduce carbon emissions and reduce energy and water costs for tenants will be assessed favourably under the scheme. The scheme also allows for the redevelopment of existing but uninhabitable stock, which would apply to many independent living units that need to be redeveloped for older people or people living with disabilities.

It is also important to point out that one of the criteria for assessing applications is whether the proposal delivers some accessibility outcomes. We will be reviewing the scheme early in its implementation to ensure that it continues to meet its twin objectives: to reduce rental stress and to increase the supply of affordable rental housing. With the National Rental Affordability Scheme Bill 2008 and National Rental Affordability Scheme (Consequential Amendments) Bill 2008 the government is delivering on one of its most ambitious housing reforms: the establishment of a national rental affordability scheme.

Finally, the government acknowledges the inquiry of the Senate Standing Committee on Community Affairs into the bill. We appreciate the efforts of the Senate committee members and thank all the witnesses who gave their time to give evidence to the public hearing in Canberra on 6 November 2008. The committee’s work has greatly assisted the government in achieving
such a good outcome for charities who participate in the scheme. I particularly want to acknowledge Senator Ludlam, whom I know has worked closely with Minister Plibersek’s office on these bills. The government also thanks the committee secretariat for conducting the inquiry in its usual professional and diligent manner. The government believes that the scheme will make a fundamental difference to Australians who are doing it tough in the private rental market. I commend the bills to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Ellison)—The question is that Senator Payne’s second reading amendment be agreed to.

Senator LUDLAM (Western Australia) (5.10 pm)—by leave—I note that the Australian Greens will be supporting parts (f) and (g) of Senator Payne’s second reading amendment.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.11 pm)—by leave—I thank Senator Ludlam for giving us that indication. The opposition’s amendment goes to several quite specific issues. I want to touch on them very briefly so that people understand why the government is not supporting them. The first issue addressed by the amendment is part (a), which goes to the issue of incentives on a sliding scale. The government cannot support that to the extent that a sliding scale would be sought for refundable tax offsets, which within taxation law would be unconstitutional.

Secondly, in relation to the proposal for a transfer of tax offsets, the government’s position is that there may be some confusion between the refundable tax offset and a tax deduction and that there is no net benefit for parties that is derived from a transfer of incentive.

Thirdly, regarding the amendment requiring state and territory governments to match Commonwealth incentives, the government believes that it is not in anyone’s interest to limit the ability of state and territory governments to contribute to the scheme and that this would prevent the state and territory governments from making contributions equal to or even exceeding the Commonwealth incentive. Fourthly, in relation to the conversion of existing residential stock, while I appreciate that Senator Payne was very clear in her second reading contribution about the challenge that there is in providing dwellings for residential purpose, the scheme will already provide for the conversion of dwellings that were not fit for residential purpose. But we have to remember that the scheme aims to increase the supply of affordable housing, not just focus on existing residential stock.

In relation to part (e), extending the upper levels of income by 30 per cent, the government’s position is that the scheme is planned for tenants on low-to-moderate incomes, and the scheme also allows for a 12-month period of grace when income levels are exceeded. It is the view of the government that a 30 per cent increase in the upper-income level will move the focus of the scheme into the moderate-to-high-income households, which is not the purpose of the bill. In relation to the two issues which Senator Ludlam has expressed interest in—the right to a solar panel rebate and having 20 per cent of the scheme incentives targeting projects of 20 dwellings or more—the scheme is already seeking applications that focus on sustainability features for dwellings. There is nothing in the scheme that would prevent investors from applying for rebates for which they may be eligible from other programs. Finally, in relation to the increase to 20 per cent of the scheme’s target projects of 20 dwellings or more, there is no limitation in the scheme on accepting proposals for 20 dwellings or more. Larger project proposals are preferred but are not mandatory; therefore, if proposals come forward that may be less than that, the government would consider the extent to which they met the requirements of the bill.

Senator PAYNE (New South Wales) (5.14 pm)—by leave—I thank both Senator Ludlam and Senator Stephens for their comments on this amendment. The opposition does press the amendment as we have moved it today. I acknowledge the support that the Greens have indicated in relation to parts (f) and (g) of the proposed amendment and seek further consideration in due course by the government of the items we have raised in parts (a) to (e).

The ACTING DEPUTY PRESIDENT (Senator Ellison)—In view of the indication by the Greens, I propose that the motion be divided into two parts. In relation to Senator Payne’s amendment to the second reading, we will put items (a) to (e). We will consider that firstly. We will then consider (f) and (g) separately to that. I now put the question that the motion be agreed to in relation to items (a) to (e) of Senator Payne’s second reading amendment.

Question negatived.

The ACTING DEPUTY PRESIDENT (Senator Ellison)—I now put the question that the motion be agreed to in relation to items (f) and (g) in relation to Senator Payne’s amendment to the second reading.

Question agreed to.

Senator LUDLAM (Western Australia) (5.16 pm)—I move the second reading amendment standing in my name:

At the end of the motion, add:

but the Senate calls on the Government to:

(a) include energy and water efficiency over the lifecycle of the building, sustainable building materials and sustainable waste management as criteria that National Rental Affordability Scheme (NRAS) proposals must meet;
require the Minister to evaluate how the successful NRAS proposals have performed when benchmarked against relevant state and federal standards for each of the mandatory criteria (that is, those listed in Schedule 1, Set 1, paragraph (1)(c) of the draft National Rental Affordability Scheme Regulations 2008) within 3 months of each round of NRAS allocations being announced;

(c) if any dwellings are found not to be meeting these high standards, require the Minister to review the criteria with the objective of improving the standard of properties approved under the NRAS; and

(d) provide that NRAS properties must be close to public transport, noting that Schedule 1, Set 1, paragraph (1)(c)(i) of the draft regulations currently provides for proximity of dwellings to transport, but doesn’t specify public transport.

Question negatived.
Original question, as amended, agreed to.
Bills read a second time.

In Committee

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

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.18 pm)—I table a supplementary explanatory memorandum relating to the government’s amendments to be moved to National Rental Affordability Scheme (Consequential Amendments) Bill 2008. The memorandum was circulated in the chamber on 13 November 2008. I seek leave to move government amendments (1) and (2) together.

Leave granted.

Senator STEPHENS—I move:

(1) Title, page 1 (line 1), after “amend”, insert “the Extension of Charitable Purpose Act 2004 and”.

(2) Page 15 (after line 13), at the end of the Bill, add:

Schedule 2—Amendment of the Extension of Charitable Purpose Act 2004

1 Section 3
Insert:
allocation has the same meaning as in the National Rental Affordability Scheme Act 2008.

2 Section 3
Insert:
entity has the same meaning as in the Income Tax Assessment Act 1997.

3 Section 3
Insert:
first 2 NRAS years means:
(a) the period referred to in paragraph (a) of the definition of NRAS year in the National Rental Affordability Scheme Act 2008; and
(b) the year beginning on 1 May 2009.

4 Section 3
Insert:
incentive period has the same meaning as in the National Rental Affordability Scheme Act 2008.

5 Section 3
Insert:
National Rental Affordability Scheme has the same meaning as in the National Rental Affordability Scheme Act 2008.

6 Section 3
Insert:
rental dwelling has the same meaning as in the National Rental Affordability Scheme Act 2008.

7 Section 3
Insert:
taxation law has the same meaning as in the Income Tax Assessment Act 1997.

8 After section 4
Insert:

4A Provision of a rental dwelling under National Rental Affordability Scheme is a charitable purpose

(1) Without limiting what constitutes a charitable purpose, charitable purpose includes the provision of a rental dwelling if:

(a) the rental dwelling is provided by an entity that is:

(i) endorsed as exempt from income tax by the Commissioner of Taxation under section 50-105 of the Income Tax Assessment Act 1997; and

(ii) an approved participant in the National Rental Affordability Scheme; and

(b) either:

(i) an allocation in relation to the rental dwelling has been made to the approved participant by the Secretary that specifies a date in the first 2 NRAS years from which the allocation will operate or is taken to have operated; or

(ii) an allocation in relation to the rental dwelling has been reserved and it is genuinely intended by the approved participant that the conditions on which the allocation has been reserved will be fulfilled in the first 2 NRAS years.

(2) To avoid doubt, the provision of the rental dwelling by the entity has effect as a charitable purpose only during the incentive period for the allocation.

(3) This section applies:

(a) for the purposes of a provision of a taxation law or any instrument made, granted or issued under a taxation law; and

(b) for the purpose of determining whether an entity that has been endorsed as exempt from income tax by the Commissioner of Taxation un-
I just wanted to speak very briefly about the government’s amendments to this bill. The scheme is a new opportunity for all levels of government to work together with business and not-for-profit organisations to increase the supply of affordable rental housing for Australian families. We acknowledge that the community housing sector is vital to the success of the National Rental Affordability Scheme, which is why the Australian government is amending the Extension of Charitable Purpose Act 2004 so that participation by charities in the National Rental Affordability Scheme during its establishment phase will not put tax concessions for existing charities at risk. These amendments give effect to a transition safety net to cover not-for-profit community housing providers looking to participate in the scheme. The Rudd government is taking decisive action on the issue of rental affordability, which is why it is acting to make participation in the scheme as broad as possible.

The amendments to the National Rental Affordability Scheme (Consequential Amendments) Bill 2008 extend the definition of ‘charitable purpose’ to include the provision of rental dwellings under the scheme. The amendments will apply to charities endorsed by the Commissioner of Taxation which are approved participants of the National Rental Affordability Scheme in the establishment phase of the scheme for years 2008-09 and 2009-10. The safety net will cover these not-for-profit providers for the 10 years that they receive incentives under the scheme. The government will monitor the scheme and conduct a post-implementation review following the completion of the first two rounds in the establishment phase to ensure that the scheme is meeting its objectives. The scheme and the safety net the government has introduced for community housing providers will bring substantial growth to the community housing sector, whether it is as tenancy managers or as owners and developers in a consortium.

Senator PAYNE (New South Wales) (5.21 pm)—This aspect of the legislation was a matter of some concern both in the committee inquiry in relation to the legislation and, in advance of that, in discussions over some extended period of time at Senate estimates. In the last sitting weeks the opposition are pleased to see some comment from the Treasurer, Mr Swan, in relation to participation by charities in the National Rental Affordability Scheme. But I must say that in discussions it was a particularly difficult time for those charities seeking to make applications for the NRAS without, it seemed to us, any particular certainty around whether there would be a detrimental impact on their charitable status and tax status as a result, thereby perhaps imperilling their actual operations. As they waited for clarity—which came, I think, the night before the bill came into the Senate—it was a difficult period for some of those organisations. The shadow minister, Mr Morrison, and other senators with an interest in this issue, such as Senator Ludlam, and senators who were part of the inquiry process in this chamber found themselves recipients of a number of approaches from organisations not only keen to participate but also—and not unreasonably—keen for greater clarity around their status if they were to participate in the scheme.

We are concerned that, as it stands, the bill only goes to partly resolving the deep concerns of those charitable organisations in relation to their participation in the NRAS. Given that it is a transitional safety net, as it has in fact been described by the Treasurer, it potentially only provides those organisations with a very temporary reprieve and clarity around their status at this point. I think it highlights the pace at which this legislation was brought together and, as I mentioned in my earlier remarks in the second reading debate, the lack of modelling and the lack of economic foundation to this scheme in and of itself.

The opposition see the doubts around the charitable status of organisations and the potential impact of participating in the NRAS as having had a serious impact on people’s contemplation of take-up in the scheme. As I said, this year we fear a short-term response and we hope that the government can make a much more sure-footed response to the status of charitable organisations in the near future.

Senator LUDLAM (Western Australia) (5.24 pm)—I would just like to add to those remarks, because essentially the Australian Greens, as Senator Payne put it, similarly had a great deal of concern. This was a fix that was literally hammered together at five minutes to midnight. I believe that we found out about it the day the bill was finally introduced into parliament. I believe it put the very viability of the scheme at risk. The scheme was designed to encourage the participation of community housing organisations whose very participation was threatened. The largest community housing provider in Western Australia had threatened to pull out of the scheme if this problem was not fixed. I hope that it does not take another two years for this matter to be resolved. I would suggest that it needs to be resolved in the first few months of 2009 so that the viability of the scheme is assured and, in particular, the participation of the community housing sector. The Australian Greens wrote to the Treasurer because this issue was foreshadowed several weeks before the matter came before the Senate. We were pleased that, at least, a resolution was offered, but it is very short term. We hope that before the third round of NRAS, when
properties do go out for tender, this issue is resolved once and for all.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.25 pm)—Can I just respond to the issues that were raised by Senator Payne and Senator Ludlam. In speaking to the amendments, they apply to charities endorsed by the Commissioner of Taxation during the establishment phase of the scheme for 2008-09 and 2009-10, and the safety net will cover those not-for-profit providers for the 10 years they receive incentives under the scheme.

There are already half-a-dozen not-for-profit housing providers across Australia who hold title and who manage significant stock numbers of affordable housing. Several of those, including the Brisbane Housing Company and Community Housing (Victoria) Ltd, have substantial development capacity. We need to remember that the scheme will significantly boost the capacity of not-for-profit providers to work with investors to build NRAS dwellings, remembering that the scheme builds over time. In the first year we are releasing 3½ thousand tax credits and, in 2009-10, 7,500 tax credits, which will allow not-for-profit organisations more time to build increased capacity.

On the issue of long-term sustainability of those organisations, it is important to keep in mind the other work that the government is doing in relation to the not-for-profit sector. A great deal of work is being done to build capacity, including the work of the economics committee, which will be reporting next week on the issue of regulatory reform and transparency of charities in the not-for-profit sector. Some work is to be done next year by the Productivity Commission around those issues and also around issues that will be part and parcel of the Henry taxation review next year. The government is very mindful of the way in which the not-for-profit sector intersects with the taxation system and how unintended consequences of legislation can actually disadvantage them. Can I, again, express my appreciation for the good work of the committee because, when you get good committee work, you can actually identify and resolve those issues before the actual bill hits the House or the Senate for debate. Thank you very much for your contributions.

Question agreed to.

Bills read a third time.

BUSINESS
Rearrangement

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (5.30 pm)—I move:

That intervening business be postponed till after consideration of government business order of the day no. 3, the Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Bill 2008.

Question agreed to.

SAME-SEX RELATIONSHIPS (EQUAL TREATMENT IN COMMONWEALTH LAWS—GENERAL LAW REFORM) BILL 2008
In Committee

Consideration resumed from 12 November.

The TEMPORARY CHAIRMAN (Senator Ellison)—The question is that the bill, as amended, be agreed to.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.30 pm)—by leave—I move government amendments (2) to (6), (8) to (11), (13), (14), (16) to (23), (25), (26), (28) to (36), (38), (40), (42) to (48), (50), (52) to (55), (58) to (61), (64), (65), (68) to (70), (72) to (75), (78), (79), (81), (82) (85) to (87), and (90) to (110) on sheet QH401:

(2) Clause 2, page 3 (table item 17), omit the table item.
(3) Clause 2, pages 3 and 4 (table item 18), omit the table item.
(4) Clause 2, page 4 (table item 19), omit the table item.
(5) Clause 2, page 4 (table item 20), omit the table item.
(6) Clause 2, page 4 (table item 21), omit the table item.
(8) Schedule 2, item 4, page 10 (lines 23 to 30), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of paragraph (a) of the definition of near relative in this subsection, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(9) Schedule 2, item 9, page 12 (lines 2 to 8), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(10) Schedule 2, item 11, page 12 (lines 19 to 25), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.
(11) Schedule 2, item 34, page 15 (lines 7 to 13), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(13) Schedule 2, item 41, page 17 (lines 19 to 25), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this section, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(14) Schedule 2, item 43, page 18 (lines 5 to 11), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(16) Schedule 2, item 61, page 21 (lines 24 to 30), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(17) Schedule 2, item 67, page 22 (line 27) to page 23 (line 2), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(18) Schedule 2, item 73, page 23 (lines 24 to 30), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(19) Schedule 2, item 76, page 24 (lines 25 to 31), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(20) Schedule 2, item 85, page 27 (line 31) to page 28 (line 2), omit the definition of parent, substitute:

parent: without limiting who is a parent of anyone for the purposes of this Act, a person is the parent of another person if the other person is a child of the person within the meaning of the Family Law Act 1975.

(21) Schedule 3, item 2, page 30 (lines 23 to 28), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(22) Schedule 3, item 6, page 31 (lines 9 to 15), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(23) Schedule 3, item 12, page 32 (lines 17 to 24), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of Part 2A and this Schedule, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(25) Schedule 4, item 2, page 35 (lines 13 to 15), omit subparagraph (a)(ii) of the definition of child, substitute:

(ii) a child of the person within the meaning of the Family Law Act 1975; and

(26) Schedule 4, item 2, page 35 (line 19), omit the note.

(28) Schedule 4, item 47, page 41 (lines 14 to 20), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of subsection (3), someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(29) Schedule 4, item 51, page 42 (lines 22 to 29), omit the definition of parent, substitute:

parent: without limiting who is a parent of anyone for the purposes of this Act, a person is the parent of another person if the other person is a child of the person within the meaning of the Family Law Act 1975.

(30) Schedule 5, item 2, page 44 (lines 11 to 17), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this section, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(31) Schedule 5, item 9, page 45 (line 31) to page 46 (line 4), omit subclause (3) of Schedule 1, substitute:

(3) For the purposes of paragraph (2)(b), one person is the child of another person because of this sub- clause if he or she is a child of the other person within the meaning of the Family Law Act 1975.

(32) Schedule 5, item 11, page 46 (lines 15 to 21), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(33) Schedule 5, item 27, page 49 (lines 17 to 23), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(34) Schedule 5, item 40, page 52 (lines 10 to 16), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this section, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(35) Schedule 6, item 1, page 53 (lines 9 to 15), omit the definition of child, substitute:
child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(36) Schedule 6, item 7, page 54 (lines 24 to 30), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(38) Schedule 6, item 18, page 57 (lines 8 to 13), omit subsection 23(6), substitute:

(6) If a child (other than an adopted child) is a relationship child of a person because he or she is a child of the person, and of another person, within the meaning of the Family Law Act 1975, the person and the other person are taken to be the child’s only parents for the purposes of paragraphs (c) of the definition of qualifying period in subsection (5).

(40) Schedule 6, item 35, page 59 (lines 24 to 30), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(43) Schedule 6, item 70, page 65 (lines 7 to 11), omit subsection 994(2), substitute:

(2) If a young person (other than an adopted child) is a relationship child of a person because he or she is a child of the person, and of another person, within the meaning of the Family Law Act 1975, the person and the other person are taken to be the young person’s only parents for the purposes of this section.

(45) Schedule 6, item 73, page 65 (lines 25 to 30), omit subsection 1061PL(8), substitute:

(8) If a person (other than a person who is an adopted child) is a relationship child of another person because he or she is a child of the other person, and of a third person, within the meaning of the Family Law Act 1975, the other person and the third person are taken to be the person’s only parents for the purposes of subsections (3), (4), (5), (6) and (7).

(46) Schedule 6, item 85, page 67 (lines 3 to 8), omit sub-section 1067A(13), substitute:

(13) If a person (other than a person who is an adopted child) is a relationship child of another person because he or she is a child of the other person, and of a third person, within the meaning of the Family Law Act 1975, the other person and the third person are taken to be the person’s only parents for the purposes of subsections (5), (6), (7), (8), (9) and (11).

(47) Schedule 6, item 88, page 67 (lines 16 to 20), omit subsection 1067B(2), substitute:

(2) If a person (other than a person who is an adopted child) is a relationship child of another person because he or she is a child of the other person, and of a third person, within the meaning of the Family Law Act 1975, the other person and the third person are taken to be the person’s only parents for the purposes of paragraph (1)(b).

(48) Schedule 6, item 101, page 69 (lines 10 to 14), omit subsection 1067D(4), substitute:

(4) If a person (other than a person who is an adopted child) is a relationship child of another person because he or she is a child of the other person, and of a third person, within the meaning of the Family Law Act 1975, the other person and the third person are taken to be the person’s only parents for the purposes of paragraph (1)(b).

(50) Schedule 6, item 110, page 70 (lines 14 to 18), omit subsection 1067J(2), substitute:

(2) If a person (other than a person who is an adopted child) is a relationship child of another person because he or she is a child of the other person, and of a third person, within the meaning of the Family Law Act 1975, the other person and the third person are taken to be the person’s only parents for the purposes of subsection (1).

(52) Schedule 6, item 125, page 72 (lines 5 to 11), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(53) Schedule 6, item 127, page 72 (lines 23 to 29), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the beneficiary within the meaning of the Family Law Act 1975.”.

(54) Schedule 7, item 1, page 73 (lines 7 to 12), omit all the words from and including “who is the product” to and including “relationship.”, substitute “of the person within the meaning of the Family Law Act 1975.”.

(55) Schedule 7, item 9, page 74 (lines 22 to 28), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Part, someone is the child
of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(58) Schedule 7, heading to Part 2, page 85 (line 2), omit the heading, substitute:

Part 2—Superannuation amendments

(59) Schedule 7, page 85 (after line 6), after item 53, insert:

53A At the end of section 51

Add:

(7) The reference in paragraph (6)(a) to the birth of a child of the person includes a reference to the birth of a child who is a child of the person within the meaning of the Family Law Act 1975.

(60) Schedule 7, page 85 (after line 9), after item 54, insert:

54A At the end of section 51A

Add:

(8) The reference in subparagraph (1)(b)(i) to the birth of a child of a person includes a reference to the birth of a child who is a child of the person within the meaning of the Family Law Act 1975.

(61) Schedule 7, item 55, page 85 (line 13), omit “(whether Part 2, 3 or 4)”.

(64) Schedule 8, item 7, page 90 (lines 23 to 30), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of an individual if he or she is a child of the individual within the meaning of the Family Law Act 1975.

(65) Schedule 8, item 14, page 92 (lines 12 to 18), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(68) Schedule 9, item 8, page 95 (lines 20 to 22), omit paragraph (b) of the definition of child, substitute:

(b) someone who is a child of the person within the meaning of the Family Law Act 1975.

(69) Schedule 9, item 8, page 95 (lines 23 to 25), omit the note.

(70) Schedule 9, item 14, page 96 (lines 16 to 21), omit the definition of parent (including the note), substitute:

parent: without limiting who is a parent of a child for the purposes of this Part, a person is the parent of a child if the child is a child of the person within the meaning of the Family Law Act 1975.

(72) Schedule 9, item 19, page 97 (lines 23 to 25), omit paragraph (c) of the definition of parent, substitute:

(c) the child is a child of the person within the meaning of the Family Law Act 1975.

(73) Schedule 9, item 19, page 97 (lines 26 to 28), omit the note.

(74) Schedule 9, item 21, page 98 (lines 8 to 10), omit paragraph 84(3B)(c), substitute:

(c) someone who is a child of the person within the meaning of the Family Law Act 1975.

(75) Schedule 9, item 21, page 98 (lines 11 and 12), omit the note.

(78) Schedule 9, item 30, page 101 (lines 12 to 14), omit paragraph (c) of the definition of child, substitute:

(c) someone who is a child of the person within the meaning of the Family Law Act 1975.

(79) Schedule 9, item 30, page 101 (lines 18 to 21), omit all the words from and including “For the purposes” to and including “relationship.”.

(81) Schedule 10, item 1, page 104 (lines 9 to 15), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(82) Schedule 10, item 7, page 105 (lines 7 to 18), omit section 8, substitute:

8 Children born as a result of artificial conception procedures or surrogacy arrangements

(1) This section applies if a child is:

(a) a child of a person under section 60H or 60HB of the Family Law Act 1975; and

(b) either:

(i) a child of the person’s spouse or de facto partner under that section; or

(ii) a biological child of the person’s spouse or de facto partner.

(2) The child is taken for the purposes of this Act:

(a) to be the child of the person and the spouse or de facto partner; and

(b) not to be the child of anyone else.

(83) Schedule 10, item 8, page 105 (lines 7 to 18), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of an individual if he or she is a child of the individual within the meaning of the Family Law Act 1975.

(84) Schedule 10, item 12, page 106 (lines 7 to 18), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of another person if the other person is a child of the person within the meaning of the Family Law Act 1975.

(85) Schedule 10, item 79, page 120 (lines 6 to 13), omit the definition of parent, substitute:

parent: without limiting who is a parent of anyone for the purposes of this Act, a person is the parent of another person if the other person is a child of the person within the meaning of the Family Law Act 1975.

(86) Schedule 11, item 3, page 122 (lines 7 to 13), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(87) Schedule 11, item 8, page 124 (lines 7 to 13), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(88) Schedule 11, item 16, page 126 (lines 8 to 15), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of Part 3 and this Schedule, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.
(91) Schedule 11, item 23, page 129 (lines 4 to 10), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(92) Schedule 12, item 4, page 133 (lines 16 to 22), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this section, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(93) Schedule 13, item 1, page 135 (lines 20 to 26), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of subsection (10), someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(94) Schedule 13, item 3, page 136 (lines 3 to 9), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the individual within the meaning of the Family Law Act 1975.”.

(95) Schedule 14, item 91, page 152 (lines 9 to 15), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the individual within the meaning of the Family Law Act 1975.”.

(96) Schedule 14, item 98, page 154 (lines 8 to 14), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(97) Schedule 14, item 110, page 157 (lines 6 to 12), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(98) Schedule 14, item 113, page 158 (lines 16 to 22), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(99) Schedule 14, item 125, page 160 (lines 15 to 21), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(100) Schedule 14, item 130, page 162 (lines 6 to 12), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(101) Schedule 15, item 6, page 165 (lines 23 to 30), omit the definition of parent, substitute:

parent: without limiting who is a parent of anyone for the purposes of this Act, a person is the parent of another person if the other person is a child of the person within the meaning of the Family Law Act 1975.

(102) Schedule 15, item 34, page 168 (lines 21 to 27), omit the definition of child, substitute:

child: without limiting who is a child of a person for the purposes of this Act, someone is the child of a person if he or she is a child of the person within the meaning of the Family Law Act 1975.

(103) Schedule 15, item 68, page 175 (lines 3 to 8), omit subsection 5Q(5), substitute:

(5) For the purposes of this Act, if under a provision of this Act one person is the child of another person because the person is a child of the other person within the meaning of the Family Law Act 1975, relationships traced to or through the person are to be determined on the basis that the person is the child of the other person.

(104) Schedule 15, item 68, page 175 (lines 9 to 13), omit the note, substitute:

Note: Paragraph 10(1)(b) and paragraph (b) of the definition of child in section 52ZB are examples of provisions under which one person may be the child of another person because the person is a child of the other person within the meaning of the Family Law Act 1975.

(105) Schedule 15, item 70, page 175 (lines 26 to 28), omit paragraph 10(1)(b), substitute:

(b) a child who is a child of the veteran within the meaning of the Family Law Act 1975; or

(106) Schedule 15, item 70, page 175 (lines 32 to 35), omit subsection 10(2).

(107) Schedule 15, item 73, page 176 (lines 8 to 15), omit subsection 10A(1), substitute:

(1) Without limiting who is a parent of anyone for the purposes of this Act, a person is the parent of another person (other than an adopted child) if the other person is a child of the person within the meaning of the Family Law Act 1975.

(108) Schedule 15, item 90, page 178 (lines 6 to 12), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(109) Schedule 15, item 92, page 178 (lines 24 to 30), omit all the words from and including “is the product” to and including “relationship.”, substitute “is a child of the person within the meaning of the Family Law Act 1975.”.

(110) Schedule 15, item 93, page 179 (lines 1 to 3), omit paragraph (ba) of the definition of child, substitute:
Senator Russell Trood Barnett, the deputy chair, Senator Mary Jo Fisher and senators who served on that committee responsive to additional comments made by the Liberal reported in October 2008. They are, in particular, re-General Law Reform) Bill 2008 and related bills and relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Bill 2008 and related bills and reported in October 2008. They are, in particular, responsive to additional comments made by the Liberal senators who served on that committee—Senator Guy Barnett, the deputy chair, Senator Mary Jo Fisher and Senator Russell Trood—which appear at page 41 and following pages of the report of that committee. We welcome the government’s acknowledgement that the legislation in its original form could be improved by amendments of the kind recommended by the Senate committee. For that reason, the opposition will be supporting those amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.33 pm)—I apologise to the chamber. I thought I had spoken to these amendments previously, but I gathered from the silence that I had not. In essence, the government amendments remove references to ‘the product of the relationship’ in definitions of child and parent in the bill and will instead refer to ‘a child of the person within the meaning of the Family Law Act’. As Senator Brandis has indicated, the amendments implement a recommendation of the Senate Standing Committee on Legal and Constitutional Affairs.

The amendments I have outlined also insert a revised section in the Australian Citizenship Act to provide for recognition of children born to same- and opposite-sex couples as a result of artificial conception procedures and surrogacy arrangements. A number of other technical amendments are made as a consequence of the removal of ‘the product of a relationship’ in the definition of a child.

Senator Hanson-Young (South Australia) (5.34 pm)—I would firstly like to indicate the Greens support for the government amendments, but I also have a question to put to the minister if I could. In the Senate committee’s recommendation (3), the committee recommends:

... that the Government give further consideration to what administrative or regulatory mechanisms may be available to appropriately manage the impact of the reforms on same-sex couples who may have benefits reduced under the changes.

The last time we were discussing this bill, if you remember, the Greens moved an amendment which was not passed—and I accept that. I just wanted to know what the minister’s response to how we manage the possible negative ramifications for people, at least in the initial period, may be to any benefits that may change. I have read out the recommendation from the committee but, if the minister could please elaborate on how the government would deal with these impacts, that would be wonderful.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.35 pm)—I think I did go to these issues in the summing up on the second reading and made reference to a couple of issues. I think there was a discussion about a transitional commencement date other than 1 July, and I think I may have indicated the reasons for that. My recollection also is that I discussed what Commonwealth agencies have been asked to do in terms of communicating these changes to the gay and lesbian community.

I also would make the point that the changes to social security and family assistance entitlements—which are, I suppose, the ones that do spring to mind when you consider the changes that may create a financial disbenefit from what currently exists for some couples—will not commence until 1 July 2009. So we obviously have a period of time for same-sex couples to be advised and to plan their affairs accordingly. Again, I would make the point that reforms which benefit same-sex couples commence earlier than those—social security changes, for example. The majority of amendments, including amendments to the Australian government superannuation schemes, would commence after passage, and amendments to the Medicare and PBS safety nets would commence on 1 January 2009.

Question agreed to.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.38 pm)—The government opposes schedule 4, schedule 7 and schedule 9 and schedule 15 in the following terms:

(24) Schedule 4, item 1, page 35 (lines 5 and 6), to be opposed.

(27) Schedule 4, item 9, page 36 (lines 12 to 17), to be opposed.

(62) Schedule 7, Part 3, page 86 (lines 2 to 21), to be opposed.

(63) Schedule 7, Part 4, page 87 (line 2) to page 88 (line 7), to be opposed.

(66) Schedule 9, item 4, page 94 (lines 9 to 15), to be opposed.

(71) Schedule 9, item 18, page 97 (lines 8 to 14), to be opposed.

(111) Schedule 15, items 94 and 95, page 179 (lines 4 to 14), to be opposed.

The TEMPORARY CHAIRMAN (Senator Ellison)—The question is that schedules 4, 7, 9 and 15 stand as printed.
Question negatived.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.39 pm)—I move amendment (12) on sheet QH401:

(12) Schedule 2, item 36, page 15 (line 20) to page 16 (line 9), omit the definition of parent, substitute:

\[ \text{parent: without limiting who is a parent of a person for the purposes of this Act, someone (the adult) is the parent of a person if:} \]

(a) the adult is legally entitled to, and has, custody of the person; or

(b) the adult is legally responsible for the day-to-day care, welfare and development of the person and has the person in his or her care.

Question agreed to.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.39 pm)—The government opposes schedule 6, schedule 7 and schedule 9 in the following terms:

(37) Schedule 6, items 13 to 16, page 56 (lines 12 to 28), to be opposed.

(41) Schedule 6, item 45, page 61 (lines 10 to 19), to be opposed.

(49) Schedule 6, items 104 to 106, page 69 (line 20) to page 70 (line 4), to be opposed.

(51) Schedule 6, item 118, page 71 (lines 8 to 13), to be opposed.

(56) Schedule 7, items 49 and 50, page 83 (lines 12 to 18), to be opposed.

(57) Schedule 7, item 52, page 83 (line 23) to page 84 (line 21), to be opposed.

(67) Schedule 9, item 6, page 94 (line 20) to page 95 (line 9), to be opposed.

(76) Schedule 9, items 23 and 24, page 98 (lines 15 to 34), to be opposed.

(77) Schedule 9, item 26, page 99 (lines 2 to 23), to be opposed.

(80) Schedule 9, items 36 and 37, page 102 (lines 18 to 32), to be opposed.

The TEMPORARY CHAIRMAN—The question is that schedules 4, 7 and 9 stand as printed.

Senator BRANDIS (Queensland) (5.40 pm)—The opposition support these amendments. These are amendments that were recommended by the Senate Standing Committee on Legal and Constitutional Affairs in relation to the sensitive issue of the definitions in the legislation. They do not attack its essential purpose but it was the view of the committee, and in particular the Liberal senators—Senator Barnett, Senator Mary-Jo Fisher and Senator Trood—that these amendments were appropriate to provide reassurance to those who questioned the effect of this legislation upon families that the legislation in fact respected pre-existing categories and created a scheme which was consistent with the maintenance of marriage and the traditional notions of family life.

Question negatived.

The TEMPORARY CHAIRMAN—Moving along to request (15) on sheet QH401, is it the wish of the committee that the statements of reasons accompanying the requests be incorporated in Hansard immediately after the requests to which they relate? There being no objection, it is so ordered.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.42 pm)—I move request (15) on sheet QH401:

(15) Schedule 2, page 20, (after line 3), after item 52, insert:

Family Law Act 1975

52A Subsection 4(1) (paragraphs (b) and (c) of the definition of step-parent)

Repeal the paragraphs, substitute:

(b) is, or has been, married to or a de facto partner (within the meaning of section 60EA) of, a parent of the child; and

(c) treats, or at any time while married to, or a de facto partner of, the parent treated, the child as a member of the family formed with the parent.

52B Paragraph 66M(3)(b)

After “marriage to”, insert “, or relationship with,”.

52C Application to the Child Support (Registration and Collection) Act 1988

To the extent that the amendment of the Family Law Act 1975 made by this Schedule affects the definition of step-parent in subsection 4(1) of the Child Support (Registration and Collection) Act 1988, it applies in relation to that definition on and after 1 July 2009.

Senator ELLISON (Western Australia) (5.42 pm)—I have been somewhat caught on the hop, having been in the chair. I had a list of questions which I forwarded to the Attorney-General in relation to this request, which deals with a step-parent and extends the definition of ‘step-parent’ contained within the Family Law Act. Firstly, you have the duty of a step-parent to maintain a child outlined in section 66M of the Family Law Act. You have the definition of ‘step-parent’, which is contained in section 4. Associated with that you have section 62B, which deals with the right of a child to have contact with a person by whom it is cared for. The wording in that section states that the person has to have that relationship with the child, and it talks of, for instance, a grandparent or relative. When you look at ‘relative’ in section 4, you see that that incorporates a step-parent. It would therefore seem that, in the two streams you are looking at—one dealing with contact with the child—you have an avenue of criteria which talks of a step-parent having an ability to have contact with the child; and, in the other avenue of
a single mother has a series of de facto relationships of the expanded definition of step-parent? For example, if What are all the legal (and some practical) consequences

Talking points

Treatment in Commonwealth Laws

stages of debate of the Same-Sex Relationships (Equal

General, asking that the Attorney-General take five questions

wrote, on Friday 21 November 2008 to the Attorney-

Senator the Hon Chris Ellison, Senator for Western Australia,

Possible Question

REFORM) BILL 2008

Is there any minimum period of duration for the de facto relationship before the status of ‘step-parent’ could be ac-

quired?

• The definition, as amended, will include a current or

former de facto partner of a parent of the child where he

or she treats, or while a de facto partner of that parent,
treated, the child as a member of the family he or she
formed with the parent.

• The definition is being amended to remove its discrimi-

natory effects in relation to ‘step-parents’ who are or were in a de facto relationship with a parent of the child.
The definition is currently limited to persons who are a step-parent of a child because they are or were married
to a parent of the child.

• Extending the definition will give greater significance to

the relationship between such a ‘step-parent’ and a child in Family Law Act proceedings for a parenting order. It
will also enable courts, where it is appropriate, to order the payment of child maintenance by the ‘step-parent’ who is or was in a de facto relationship with a parent of the child.

Is there any minimum period of duration for the de facto relationship before the status of ‘step-parent’ could be ac-
quired?

• In the case of a de facto relationship, the step-parent

would need to satisfy a strict threshold test. This test in-
cludes requirements that the relationship is of sufficient
length;

• that the parties display a mutual commitment to a

shared life; and

• that they have a public reputation as a de facto rela-

tionship.

• There is no minimum duration before a de facto

partner acquires the status of a step-parent.

• However, on issues of de facto step-parent maintenance,
a step-parent will only have a duty to maintain a step-

child where the court has determined under section 66M
of the Family Law Act that it is proper for that step-

parent to have that duty.

• Under the Government amendments to section
66M(3)(b), one of the matters on which a court must
have regard in determining whether it is proper for the
step-parent to have a duty to maintain the child, is the
length and circumstances of the relationship between the
step-parent and the natural parent of the child.

Under Section 4 of the Act the definition of a “relative” for the purposes of Part VII of the Family Law Act 1975
includes a “step-parent”. Could the Minister confirm that the amendment to the definition of “step-parent” would
consequently expand the number of people who would be
defined as a “relative” under this provision?

• Yes, the amendment to the definition of ‘step-parent’

will carry across the paragraph (a) of the definition of ‘relative’ in section 4 of the Family Law Act.
Part VII includes Section 60B(2)(b) of the Act which provides that one of the principles underlying the objects of Part VII is that: "children have a right to spend time on a regular basis with, and communicate on a regular basis with, both their parents and other people significant to their care, welfare and development (such as grandparents and other relatives)". Could the Minister clarify whether this provision is intended to limit this right to refer only to those "grandparents and other relatives" who, for reasons particular to each child, are considered to be "people significant to their care, welfare and development" or is it intended to provide that "grandparents and other relatives" are automatically to be presumed to be "people significant to their care, welfare and development"?

- Grandparents and other relatives are examples given of persons falling in this category.
- Section 60B(2)(b) of the Family Law Act recognises as a principle underlying the objects of the Act that children have a right to a relationship with people other than their parents who are significant to their care, welfare and development.

Could the Minister clarify whether the provisions in Section 60M(3) of the Act as it would be amended by the Government’s foreshadowed amendments to this Bill, apply in any way to limit which “step-parents” would be covered by the provisions of Section 60B(2)(b) of the Family Law Act 1975? Or are these more stringent conditions only relevant to the question of a duty to maintain and not at all relevant to the question of the right of the child “to spend time on a regular basis with, and communicate on a regular basis with” a step-parent?

- Section 66M is directed to the special rule applying to the payment by a step-parent of maintenance for a child.
- Neither section 66M nor 66M(3) in any way limit the persons who are step-parents under section 60B(2)(b).
- Section 66M does not impact upon the question of the right of the child to spend time on a regular basis with, and communicate on a regular basis with, a step-parent.

Section 13C(3) of the Act provides that in relation to “family counselling, family dispute resolution and other family services” the court may require the party or parties to encourage the participation of specified other persons who are likely to be affected by the proceedings. A note to this subsection states: “For example, the participation of children, grandparents or other relatives may be encouraged”. Could the Minister confirm whether the term “relatives” in this note would consequent to the Government’s proposed amendment to the definition of “step-parent” be expanded to include former de facto partners of a child’s parent?

- Section 13C provides that a court, when making an order during proceedings under the Act, may at any stage during the proceedings make an order for parties to attend family counselling, family dispute resolution or to participate in other family services.
- Subsection 13C(3) provides that the court order may require parties to encourage the participation of specified other persons who are likely to be affected by the proceedings.
- Whether or not a court would make an order under section 13C, which is in Part II 1B of the Act, encouraging participation will depend on whether the person ‘is likely to be affected by the proceedings’ and is not limited by the definition of “relative” for the purposes of Part VII of the Act.
- The note below subsection 13C(3) only provides an example of the kinds of persons who could in a case be people who are ‘likely to be affected by the proceedings’.

Senator ELLISON (Western Australia) (5.46 pm)—I have just one question to ask on the hop, as it were. In relation to that question of contact with the child, an example of grandparent and other relatives is mentioned. Does the reference to that example give it any more status than just that—an example—or is the prime issue that of the interests of the child? I do not have the act in front of me, but in section 62B it talks about someone with significant care of the child. What we are looking at here is someone who might be on the scene temporarily, if you like, in a relationship, having the ability to communicate with and contact the child. That is my concern when you have much stricter criteria where you have a requirement to maintain the child. Perhaps the minister could place on record the answer to that if it is possible to glean it from the detail that is contained there.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.48 pm)—I am advised that the reference to grandparents and other relatives which is in the proviso ‘such as’ is an example given of persons falling into the category, the parameters of which are set out in 60B(2)(b), which recognises that the principle underlying the act is that children have a right to a relationship with people other than their parents who are significant to their care, welfare and development.

Senator ELLISON (Western Australia) (5.48 pm)—Just to make it absolutely clear: the question of significant care is the issue here and the examples given are just that.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.49 pm)—Senator Ellison, I think what I said was ‘significant to their care, welfare and development’. As I read these notes, that is in fact the wording of the relevant aspect of that subsection of the act.

Senator ELLISON (Western Australia) (5.49 pm)—I do not have the act in front of me, but I take the minister’s point. If I could have a copy of that which the minister has incorporated, I have no further questions.

The TEMPORARY CHAIRMAN (Senator Troeth)—The question is that the request be agreed to.

Question agreed to.
Senator WONG (South Australia—Minister for Climate Change and Water) (5.50 pm)—I move government request (39) on sheet QH401:

(39) Schedule 6, page 58 (after line 4), after item 22, insert:

**Child Support (Assessment) Act 1989**

22A Subsection 5(1) (paragraph (b) of the definition of member of a couple)

Repeal the paragraph, substitute:

(b) a person who is living with another person as the partner of the other person on a genuine domestic basis although not legally married to the other person; or

c) a person whose relationship with another person (whether of the same sex or a different sex) is registered under a law of a State or Territory prescribed for the purposes of section 22B of the Acts Interpretation Act 1901 as a kind of relationship prescribed for the purposes of that section, and is not living separately and apart from the other person on a permanent or indefinite basis.

22B Subsection 5(1) (definition of parent)

Repeal the definition, substitute:

*parent:*

(a) when used in relation to a child who has been adopted—means an adoptive parent of the child; and

(b) when used in relation to a child born because of the carrying out of an artificial conception procedure—means a person who is a parent of the child under section 60H of the *Family Law Act 1975*; and

(c) when used in relation to a child born because of a surrogacy arrangement—includes a person who is a parent of the child under section 60HB of the *Family Law Act 1975*.

22C Subsection 5(1)

Insert:

*relative* has a meaning affected by subsection (4).

22D At the end of section 5

Add:

*Relatives*

(4) For the purposes of section 26A and subparagraph 150(4E)(b)(ii), the relatives of a person are taken to include the following (without limitation):

(a) a partner of the person;

(b) someone who is a parent of the person, or someone of whom the person is a parent, because of the definition of *parent* in this section;

(c) anyone else who would be a relative of the person if someone mentioned in paragraph (a) or (b) is taken to be a relative of the person.

22E Paragraph 29(2)(d)

Omit “the father or mother”, substitute “a parent”.

22F At the end of subsection 29(2)

Add:

(2) that the person is a parent of the child under section 60H or section 60HB of the *Family Law Act 1975*.

22G Sub-subparagraph 163A(2)(b)(v)(B)

Repeal the sub-subparagraph, substitute:

(B) in a de facto relationship with each other;

22H Subsection 163A(5)

Repeal the subsection, substitute:

(5) In this section:

*de facto relationship* means:

(a) a relationship between 2 persons (whether of the same sex or different sexes) who, although not legally married to each other, live with each other on a genuine domestic basis in a relationship as a couple; or

(b) a relationship between 2 persons (whether of the same sex or different sexes) that is registered under a law of a State or Territory prescribed for the purposes of section 22B of the Acts Interpretation Act 1901 as a kind of relationship prescribed for the purposes of that section.

**Child Support (Registration and Collection) Act 1988**

22J Subsection 4(1)

Insert:

*relative* has a meaning affected by subsection (5).

22K At the end of section 4

Add:

(5) For the purposes of this Act, the relatives of a person are taken to include the following (without limitation):

(a) a partner (within the meaning of the Assessment Act) of the person;

(b) someone who is the parent of the person, or someone of whom the person is a parent, because of the definition of *parent* in the Assessment Act;

(c) anyone else who would be a relative of the person if someone mentioned in paragraph (a) or (b) is taken to be a relative of the person.

Question agreed to.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.50 pm)—by leave—I move government amendments (83) and (84) on sheet QH401 together:

(83) Schedule 10, page 107 (before line 5), before item 13, insert:

12A Subsection 5(1)

Insert:

*adoption* has the same meaning as in the regulations.
(84) Schedule 10, item 20, page 108 (lines 9 to 18), omit subsection 5CA(1), substitute:

(1) Without limiting who is a child of a person for the purposes of this Act, each of the following is the child of a person:

(a) someone who is a child of the person within the meaning of the Family Law Act 1975 (other than someone who is an adopted child of the person within the meaning of that Act);

(b) someone who is an adopted child of the person within the meaning of this Act.

These amendments amend the Migration Act definition of "child" by removing the reference to "product of a relationship" as a definition of a child and instead utilising by reference to a child the definition within the meaning of the Family Law Act. To preserve existing migration policy, the definition of a child will use the meaning of adoption in the Migration Regulations rather than the Family Law Act meaning of that term.

Senator BRANDIS (Queensland) (5.51 pm)—The amendments are consistent with the scheme of the legislation. They are an improvement to the bill in its original form and have the opposition’s support.

Question agreed to.

Senator WONG (South Australia—Minister for Climate Change and Water) (5.52 pm)—by leave—I move items (88) and (89) on sheet QH401:

(88) Schedule 11, page 125 (after line 21), after item 13, insert:

13A Paragraph 15(d)

After “spouse” (wherever occurring), insert “, de facto partner”.

(89) Schedule 11, Part 3, page 125 (after line 35), at the end of the Part, add:

14A Paragraph 38(d)

After “spouse” (wherever occurring), insert “, de facto partner”.

These are amendments to the Civil Aviation (Carriers’ Liability) Act which correct existing references to ‘spouse’ to read ‘spouse or de facto partner’, consistent with the broad schemata in the bill.

Senator BRANDIS (Queensland) (5.52 pm)—These are yet further amendments, albeit in small compass, which perhaps should have been picked up in the first draft of the bill. They are yet another improvement of the bill and they of course have the opposition’s support.

Question agreed to.

Bill, as amended, agreed to, subject to requests.

Bill reported with amendments and requests; report adopted.

SAME-SEX RELATIONSHIPS (EQUAL TREATMENT IN COMMONWEALTH LAWS—SUPERANNUATION) BILL 2008

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Same-Sex Relationships (Equal Treatment in Commonwealth Laws-Superannuation) Bill 2008 and informing the Senate that the House had made the amendments requested by the Senate.

Third Reading

Senator WONG (South Australia—Minister for Climate Change and Water) (5.54 pm)—I move:

That this bill be now read a third time.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (5.54 pm)—I will take this opportunity to, firstly, congratulate the government for putting to this parliament, within 12 months of its election, legislation to remove a great swathe of discriminatory laws against same-sex couples in Australia. This is indeed historic legislation and the government is to be congratulated for it. It means that same-sex couples who love each other and are in a committed relationship will in the main not be denied the opportunities, including those for raising children in Australia, that all other couples who love and are committed to each other have.

The matter of marriage remains at arm’s length for both the government and the opposition, and it will therefore remain some time before the injustice of the direct and inexcusable discrimination on the matter of marriage against same-sex couples is removed from the statute books. It was the Labor Party that first moved for a legislated ban on marriages for same-sex couples. That was taken up by the Howard government and put through this parliament with the support of the Labor Party. It is something that the Greens and, before us, the Democrats were opposed to. We remain very much opposed to it, and it is a matter that we will continue to attempt to correct in the parliament. There are some other areas of discrimination—for example, potentially in the area of private superannuation—but we will know that discrimination against same-sex couples has come to an end in this country when discrimination on the matter of marriage, which is a Commonwealth matter under the Constitution, is removed from the statute books.

There has been talk today about leadership. Here is a classic case of a failure of nerve by leadership. The polls clearly show that the majority of Australian people want to end the discriminatory practice of saying to same-sex couples, ‘You are equal under the law now, but not when it comes to a public declaration of your love for each other and a wish to register that through a marriage ceremony which has all the same advantages that we know and honour in our society for couples of
Opposite sex. Leadership here would have had these bills include an end to that discrimination, and it is quite remarkable that the Labor government has not taken up that leadership. The people are leading and the politicians are behind. Both the older parties have a task to undertake: to communicate better with the Australian community and to understand that the pressure coming from sectional groups, minority groups, to sanction marriage for all couples regardless has great public support.

So there it is: this challenge remains. The Greens will continue to be advocates for the end of discrimination in all matters, including marriage, against same-sex couples. That position of course fits in with international laws and moves. It follows up the innovative work of a number of countries overseas, including Catholic countries like Spain, and societies not too dissimilar from ourselves like Canada. It is high time this change was made in this great nation of Australia, which has led the world in so many social innovations but which under the Howard government, and now under the Rudd government, still lags behind in this innovation. The question is: why? The answer is that there is still a bigoted minority in our society which frightens the government and the opposition. This matter, by the way, should always be a matter for a free vote, and the Greens will be challenging on that matter again in the future.

I am not rising on an inconsequential matter. Marriage is and always has been the hallowing and the recognition by the public and by those who commit to each other of a special relationship by loving people, which is a stabilising factor in society. And if you leave people outside it then society is the lesser because of that. We have seen Senator Hanson-Young’s motion to amend this legislation to remove this discrimination voted down by the big parties. It is time that ended. It is not as though this matter rests here tonight. It does not. It is one of those issues that will come back to this parliament until the representatives of the parliament catch up with the public aspiration of the people of Australia in 2008, which is only going to become stronger, to remove this discrimination in the years ahead.

Senator BRANDIS (Queensland) (6.01 pm)—I think it is also appropriate for me on behalf of the opposition to acknowledge the significance of the vote the Senate is about to take, which will complete law reform in the area of same-sex relationships which really began 40 years ago in the South Australian parliament when a Liberal member of the South Australian parliament, the late Murray Hill, moved for the first time in an Australian parliament to decriminalise homosexual relationships. The precedent which Mr Hill established was followed by all Australian parliaments over subsequent decades. The inclusion of same-sex relationships in the suite of Commonwealth antidiscrimination laws brings that long process of law reform, which has really taken a generation and a half, to completion. I do not want to be controversial about this, but I think that, on an occasion as important as this, it is a matter of regret that Senator Brown should have chosen to make a fractious and opportunist contribution to a debate which has been characterised by bipartisanship and goodwill between the government and the opposition.

I want to take this opportunity to pay credit on my side of politics to two groups of people: to people within the non-Labor side of politics who have for years championed this cause, people like the former member for Leichhardt, Mr Warren Entsch; people like the member for Kooyong, Mr Petro Georgiou; people like my dear friend Senator Payne, who I see in the chamber today; people like the member for Sturt, Mr Christopher Pyne; people like the Leader of the Opposition, Mr Turnbull—and there are many others. As I have said before, it is a shame that these reforms were not undertaken by the previous Liberal government. It is a shame that these reforms were not undertaken earlier than that by the previous Labor government. From the time that homosexual relationships were regarded by society as respectable and legitimate, it ought always to have been the case that they were included in the suite of antidiscrimination laws. So I think both parties have been tardy with this, but I am glad to say in bipartisan fashion that this legislation will pass tonight.

Secondly, can I pay a particular tribute of regard to those on my side of politics who were deeply troubled and sceptical of some of these reforms because of their own conservative social views, held honourably and in good faith. If I may say through you, Madam Acting Deputy President, to Senator Brown: this is healing, ameliorative legislation. It is legislation to bind society together. It is legislation which will make Australia a more tolerant society. And, in coming to a consensus view, as this Senate in effect has, on the desirability of passing such legislation, it really does not do to spit in the face of those who have, in a spirit of great generosity, subordinated some of their own more conservative misgivings about the legislation, in order to make cheap partisan points. There are those on my side of politics, in particular many of my National Party colleagues like Senator Joyce and Senator Boswell, and others of my Liberal Party colleagues including Senator Ellison, Mr Morrison and Mr Andrews, to name a few, who have exhibited tremendous good faith and generosity in accepting that, in its amended form, this legislation is something that the non-Labor side of politics should support, albeit that they have had to set aside certain misgivings and to compromise their honourable conservatism in agreeing to bipartisanship on this issue. I think people who approach potentially con-
troversial legislation with that spirit of generosity and goodwill deserve congratulations.

Finally, I will not disregard my own advice by making a party political point.

Senator Wong—But you will.

Senator BRANDIS—No, I won’t, Senator Wong. But let me state on the record that there were some who criticised the opposition for referring this legislation to the Senate Standing Committee on Legal and Constitutional Affairs and who accused—quite wrongly—the opposition of engaging in delaying tactics. We now know that even the government accepts that the amendments that emerged from that committee’s inquiry were desirable amendments. I think no one was more strident in their criticism of the opposition for referring this bill to the Senate Legal and Constitutional Affairs Committee than Dr John Challis, the convenor of the Comsuper Action Committee who represented public sector workers and was a witness at the hearings of the committee that subsequently took place. On 20 November I received an email from Dr Challis. In it, among other things, he said this:

Thank you for including the backdating amendments in the bill, which, as you will recall, I argued strongly for at the Senate inquiry mainly because of the then critical condition of my committee colleague—

and I will not mention the gentleman’s name—

Fortunately, his health has improved and he is elated by the passage of the bill.

Although at the time I was very critical of the opposition’s decision to refer the bills to a Senate inquiry, I have to agree with you that it did improve the bill and facilitated their passage through the Senate.

Warmest regards and thanks,

John Challis

Senator WONG (South Australia—Minister for Climate Change and Water) (6.08 pm)—I want to make a brief contribution in this third reading debate on the Same-Sex Relationships (Equal Treatment in Commonwealth Laws—Superannuation) Bill 2008 in part to respond to Senator Bob Brown’s contribution. With the introduction and, hopefully, passage of this legislation—and subject to the House considering the amendments and requests that we passed today on the previous bill of this legislative package—this government delivers on a very clear election commitment. The terms of the election commitment were completely transparent to the Australian people when we went to the election. Our views on marriage were clear, and I have previously outlined our position in relation to marriage. We also said that we would remove discrimination from Commonwealth laws and seek to treat same-sex couples legally as heterosexual de facto couples were treated.

In terms of this legislation, let us understand how significant it is that the Commonwealth government has finally moved to do this. No government in Australia’s history has ever sought in this chamber to remove this discrimination. In fact, the last time I can recall Commonwealth legislation where these issues were dealt with was with the addition of sexual preferences as an additional ground of discrimination under the Human Rights and Equal Opportunity Commission regulations. Through you, Madam Acting Deputy President Troeth, I ask Senator Brown: when was that?

Under a previous Labor government, I understand the position that Senator Brown puts but I would simply say that there are many in the Labor family who have spent much of their life regarding—and are here in this chamber because we do regard—equality of opportunity as an important principle. Whether we have pressed that on the basis of class or race or gender or, as now, sexual orientation, we do regard all these issues as important. Frankly, to have a suggestion that people who have pressed notions of equality on a whole range of fronts, most recently in terms of same-sex couples, are somehow beholden to what Senator Brown calls a ‘bigoted minority’ is a most unfair contribution.

I acknowledge there are differences of views in this chamber on these issues. Frankly, I think in large part the debate until now has demonstrated the capacity of individuals to recognise fundamentally the equality of other Australians. That has been the way in which the debate in this chamber has proceeded to date. We on this side welcome the passage of the package of bills. They deliver, on an important day for us, on a very important election commitment. Most importantly, they will deliver the sort of equality before the law that same-sex couples have never previously experienced.

Question agreed to.

Bill read a third time.

SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (ECONOMIC SECURITY STRATEGY) BILL 2008

APPROPRIATION (ECONOMIC SECURITY STRATEGY) BILL (No. 1) 2008-2009

APPROPRIATION (ECONOMIC SECURITY STRATEGY) BILL (No. 2) 2008-2009

Second Reading

Debate resumed.

Senator SCULLION (Northern Territory) (6.12 pm)—I rise to support the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008. This bill provides some welcome relief to families and pensioners who are doing it tough at this time of global economic uncertainty. This bill, along with the associated appropriation bills Nos 1 and 2, appropriates $10.4 billion from consolidated general revenue for the purpose of the government’s economic stimulus package. The coalition support using part of
the surplus to stimulate aggregate demand, but we quite rightly question the details of the policy implementation, as well as how Labor’s failed leadership has put us in the situation that we now need to rush through legislation to spend half the nation’s surplus to prop up an economy that only last year was described as being the ‘wonder down under’.

There has been a lot of reflection today about the first anniversary of the Rudd government’s election. Lots of commentators and, indeed, many member of the public have been thinking about the effectiveness of Labor’s first year in office. Unfortunately for the good citizens of Australia, Labor’s performance in the last year has been seen to be severely lacking. The last year has seen a bumbling and inept government launch 168 reviews, commissions and inquiries whilst also simultaneously watching prices rise. I was truly baffled when I read the Daily Telegraph today and saw their list of all the reviews and inquiries. It really is quite worrying when you have a government that has spent its first year reviewing everything, including bean bags, trolley jacks, form letters and Taiwanese preserved eggs. Yes, in its first year the government really has hit the ground reviewing!

The last year has seen the Prime Minister, Kevin 747, spend two months of the year overseas whilst Australians at home continue to struggle with the consequences of a collapse in consumer confidence. In the business sector it is down some 18 per cent. This is in large part from the government’s loose rhetoric of doom and gloom. How the Prime Minister thinks it is appropriate to spend two months of the year overseas, away from the country that he was elected to govern, is beyond me. I fully support a Prime Minister spending time overseas, but I think most Australians would join me in saying that 69 days out of the country, particularly at this time of economic uncertainty, is quite excessive.

I was reminded today of a website that appeared recently that sells Kevin Rudd merchandise and memorabilia. At Ruddshop.com, you can purchase an assortment of Rudd merchandise representing the government’s first year in office, including a number of books, portraits, DVDs, toys and watches. My particular favourites were the three designer watches: ‘fuel watch’, ‘grocery watch’ and ‘bank watch’—rolled gold, I am told! These are so popular that the website now insists they are sold out at the moment. But perhaps this is not such a flippant matter. It is absolutely embarrassing that this government’s greatest contribution to microeconomic reform is to sit back and watch prices rise. If spending $13 million on a website that tells you the average cost of goods in a geographic area a month ago is ‘New Leadership’, then most Australians would say, ‘We want a refund.’ Nowhere has this lacklustre government been more exposed than in economic policy and its incompetent response to the unfolding global crisis. In responding to that crisis, the government has a political strategy and not an economic strategy. At this moment, when the people of Australia desperately need good leadership, I think many would consider that last year they bought a lemon.

These bills we are considering today appropriate $10.4 billion to boost the economy and domestic demand. It is a stimulatory fiscal policy, only six months after the May budget, which had a fiscally contractionary policy. When the 2007 December quarter inflation figure came out and it was revealed that the CPI was three per cent, Labor clearly saw a political opportunity to trash the economic reputation of the former government. Even though Labor had inherited a large budget surplus, no debt, low unemployment and strong growth, they chose to proceed in declaring a calamity because of the slightly higher than anticipated inflation figure. In a rage earlier this year, as we can all recall, they furiously decried the supposed major economic threat of inflation. They constantly talked the economy down and spent half the year scaring people. They constantly talked the economy down in an effort to simply make a political point. Nothing could have been further away from good economic policy. I think we all know that now.

The anticipated fallout from the subprime crisis in the United States was well known and forecast last year. On 12 November 2007 the member for Higgins, the then Treasurer, warned of the impact of the US subprime collapse and the consequential ‘reverberations around the world’. The member for Higgins stressed the need to monitor these developments. Twelve days out from the election one would have thought that Labor would have taken notice of somebody with such an esteemed history in managing our economy, but unfortunately that was not the case.

Labor cannot wriggle out of the consequences of their own actions. The May budget, the first Labor budget, cut spending and increased taxes. You could not have got it worse in terms of action and you could not have got it worse in terms of timing. In the weeks leading up to the budget, Labor attacked the coalition because of our call for restraint. Labor accused us of being spendthrifts. They attacked our opposition to spending cuts. Well, look what happened—now they want to spend half the surplus in just one hit.

Had Labor stopped playing politics for a moment and actually paid attention to world economic events, then the shock of the financial crisis would not have hit us as hard. We would not have had to rush through a $10.4 billion stimulus package had the government monitored more closely the subprime crisis earlier this year instead of talking about genies out of bottles and
inflation monsters. The collapse in consumer confidence that the spending in this legislation is trying to correct would not have been as severe had the government not ramped up their rhetoric around the time of the budget. Quite simply, Labor, by their actions, have made the financial crisis worse. The budget surplus will have virtually vanished in trying to correct their mistake. This is the legacy of Labor’s first year in government.

One of the more pleasing aspects of this legislation will be the extra support that pensioners will finally receive. This legislation is particularly welcome because it finally addresses the problems that pensioners have been facing from the increasing cost of living. In late September Senator Coonan introduced a bill into the Senate to increase the single age pension by $30 a week, in recognition of the significantly increased cost-of-living pressures. Yet how did Labor respond at the time? We got a torrent of abuse. The senators opposite were not interested in helping pensioners back in September. They made all the excuses under the sun as to why they could not help pensioners. They said ‘Oh, we’ll help them next year.’ They said, ‘We can’t afford it this year.’ They tried to argue that the coalition’s bill did not go far enough—I thought that was pretty amazing—despite the fact that they were refusing to help anybody.

Whilst the coalition went in to bat for single age pensioners, Labor stood by and said that they will have to wait until next year’s budget. It is truly sad that it took a global financial crisis for them to finally step up to the plate and deliver the urgent relief for single age pensioners now. Labor could have supported our bill and delivered relief back in September—relief that will finally hit the pockets of pensioners on 8 December.

My question to every Labor senator who will stand up to speak on this legislation is: will you apologise to single age pensioners for making them wait almost three months for relief from rising prices and the increased cost of living? Will the Labor senators apologise for attacking the coalition’s pension bill back in September? Will they now acknowledge that the coalition were absolutely spot on in this matter and the government were plain wrong?

We will support this legislation because of the well-recognised need for a fiscal stimulus to make amends for Labor’s trashings of confidence in the economy in the first half of this year. Fiscal stimulus is needed to help shield Australians from a recession. But Labor seems to be divided on economic policy at the moment. On the one hand you have federal Labor increasing spending by $10.4 billion—the appropriation that we are discussing here today—but on the other hand New South Wales Labor are raising taxes by $3.6 billion. So are Labor actually interested in stimulating or slowing the economy? It seems that the incompetence of Labor in New South Wales is causing severe problems for Australia federally. The Prime Minister needs to get onto the phone to his New South Wales mates to get this mess sorted out. There is no point providing a fiscal stimulus package in this place for $10.4 billion when their mates down the road are just increasing taxes and taking these adjustments in completely the wrong direction.

One very legitimate question that we are entitled to ask about this bill is: what will be its macroeconomic impact? After all, $10.4 billion is an absolute bucket of money. In Senate estimates, it was revealed recently that the macroeconomic effects of this bill have not in fact been modelled. On 22 October 2008, during estimates, we heard this excellent question from Senator Joyce:

So we have spent half of the nation’s surplus without a formal modelling of the package, is that correct? We have spent half of the nation’s surplus without a formal modelling of the effects of the package?

And the answer from Dr Gruen was:

I can confirm that the package was $10.4 billion and that no formal modelling was done. I can confirm that no formal modelling was done.

So, basically, the effects of this bill have not been formally modelled. Again, support the bill, as we recognise the need for stimulus. But I ask the minister: what research do you have that suggests that $10.4 billion is the right size? Is that too much? Is it too little? Is this a social package that deals with the needs of pensioners and others? Is this something that deals fundamentally with the crisis that is approaching? Will this be another rushed and bungled policy like your last little saviour, the bank guarantee? The bank guarantee bungle is clear evidence that this government does not know what it is doing and is incapable of managing our economy. All of a sudden deciding to spend half of the nation’s surplus without even inquiring as to the effect that this would have on economic growth—again, if that is ‘New Leadership’, Australians will want their money back.

We are told that we need to take government on trust—’Trust me’ is their age-old cry—despite the fact that there has been absolutely no modelling. And yet we are talking about spending one per cent of our nation’s GDP in one hit. We are told that we should have confidence in the government’s abilities as economic managers. Well, most Australians can recall the Treasurer’s recent performance at the press conference when he released the Mid-Year Economic and Fiscal Outlook, and if that is anything to go by then we are in for a seriously bumpy ride. The Treasurer says, ‘Trust me,’ after giving one of his most incredibly weak performances—spending a significant portion of the year talking about genies out of bottles and inflation monsters, frightening our children unnecessarily. The same bloke,
after talking about inflation all year, could not remem-
ber the inflation forecast that was in MYEFO during
his press conference on that matter. Not only was that
hugely embarrassing—we went through a 90-second
silence as Australians watched the Treasurer fumbling
through his notes—but also this is not a bloke for
whom, when he says ‘Trust me,’ I feel the need to leap
into the gulf saying, ‘No worries, mate.’ This is a bloke
who does not give me or any other Australian confi-
dence.

So, in light of the incompetence of the Treasurer, I
ask the minister opposite, Minister Sherry: how can we
in the coalition, and Australians more generally, be
confident that this $10.4 billion spend will, in fact,
have the desired effect? How can we be confident that
this is what is needed at this exact point in time? If the
Treasurer did not even know the inflation forecast off-
hand last month, how can we have confidence that he
has even considered the inflationary consequences of
this bill?

The coalition, as we have already said, support this
bill because we recognise that a fiscal stimulus is nec-
essary and we acknowledge that there are many groups
out there, particularly vulnerable pensioners, who are
doing it tough and need assistance. The coalition have
led the economic debate all year and we have been
generally making the correct calls on what should be
prudent economic decisions. Sadly, the fact that this
bill has been rushed through—or, furthermore, that it is
even considered necessary—is purely a consequence of
the government’s economic failure. The Labor gov-
ernment should be appalled with its lack of results on
this first anniversary of its election. This bill will pass
with coalition support, but it would never have been
necessary but for the incompetence of the current La-
bor government.

Senator BOB BROWN (Tasmania—Leader of the
Australian Greens) (6.26 pm)—The Greens also sup-
port this legislation, though I have a second reading
amendment which I will speak to in a moment. In the
face of the economic downturn, the package seeks to
bolster growth in the Australian economy by promoting
increased consumer expenditure. Our proposal for fis-
cal stimulus is to spend on improving the energy effi-
ciency of all Australian homes, thereby creating em-
ployment right across the country, including in rural
and regional Australia, and new training opportunities
and economic stimulus while achieving important
structural responses to the challenge of climate change.
That would be a big step in the direction of a green
economy when such a great opportunity is here.

Nonetheless, we welcome the one-off payment to
many recipients of social security payments, because
many of these Australians are struggling to live on
very, very low incomes. The additional income for
those people will make a substantial difference to their
lives, even if only in the short term. We particularly
welcome the payment to age pensioners—it equates to
about $30 a week for single age pensioners—because
that is something we have been advocating as a mini-
um since the last months of the previous Howard
government. I look forward to pension reform that will
see that increase made permanent.

I listened as Senator Scullion challenged Labor, say-
ing that it had stood by while the coalition went in to
bat for pensioners in September this year. Well, it is a
pity that the coalition did not go in to bat for pension-
ers in the 12 years in which it was in office but instead
left them languishing at the bottom of the pile and,
comparatively, in a worse position than pensioners in
Australia have been in for many decades. His challenge
to Labor senators to apologise for making pensioners
wait three months has, written into it, a very big chal-
lenge: to have the coalition apologise for making them
wait 12 years.

While pensioners and others on income support
need additional assistance, they need it on an ongoing
basis to improve their daily quality of life, rather than
as a one-off lump sum, pre-Christmas—intended to be
spent in very short order—as we have in this bill. Yet
over a million people on income support payments,
many of them on lower rates than aged pensioners, are
equally vulnerable to economic downturn and have not
received a payment, or any explanation for their exclu-
sion. These include people on Newstart allowance;
there are 417,793 of them, according to last year’s fig-
ures. They also include people on the parenting pay-
ment—that is, those below the age pension age—
539,922 of whom were in receipt of this payment in
2006-07.

Sitting suspended from 6.30 pm to 7.30 pm

Senator BOB BROWN—Before dinner I was
enumerating the groups excluded from this package,
and I will continue. In 2006-07 there were 7,624 peo-
ple on sickness allowance, 28,269 Australians on Aus-
tudy and 34,134 on Abstudy. Then there were 331,955
people receiving the youth allowance, 5,032 receiving
the mature age allowance and 6,244 getting the special
benefit. We Greens believe that a more equitable ap-
proach would be for the government to provide pay-
ments to all people who were in receipt of any income
support payment on 14 October last. All these people
are doing it tough and could use extra assistance. For
example, unemployed Australians on Newstart allow-
ance receive $224.65 each week. They would be
equally likely to spend the money in the near future
and provide the economic boost the government is
aiming for were they to have received the increase.

Our estimation is that expanding the payment to all
eligible income payment recipients would increase the
size of the economic strategy that we are looking at
here by approximately $1.9 billion. This additional
expenditure would have had the dual advantage of increasing consumer spending in the short term, which the government has deemed the best response to the fiscal situation, and creating a fairer and more equitable package, which is our aim. The measures that the Greens are proposing in our amendment would increase the funds available for this and other measures by fiscal responses in the future. Our proposal is consistent with the Prime Minister’s concerns to end ‘extreme capitalism’ and rein in ‘excessive executive remuneration’.

I move Greens amendment on sheet 5636 in my name:

At the end of the motion add:

but the Senate calls on the Government to introduce a new top marginal tax rate of 50 percent for earnings over one million dollars.

The idea of a top marginal tax rate of 50c in the dollar was, of course, first flagged by the Australia Institute last month. Its report, The case for a new top marginal tax rate, argued that the current top tax rate of 45 per cent, which applies to incomes of over $180,000 per year, is inadequate in a corporate environment where some CEOs are paid excessive salaries. Well, indeed. For example, figures for 2006-07 show that Mr Alan Moss, who is a banking executive, got $33.9 million in that one year. This tax would have cost him an extra $1.645 million—that one year. This tax would have cost him an extra $1.645 million—a very modest contribution to the greater Australian welfare. Mr Phil Green, who is also in banking, got $17 million, and the tax would have recouped $800,000 just from him. Mr Greg Gailey, who is a mining executive, got $16.7 million. The 50c in the dollar tax would have recouped an extra $785,000 from him. Sol Trujillo, who heads up Telstra, got $11.8 million the year before last, and this tax would have recouped $540,000 from him. And so it goes on.

The Australia Institute points out that only 5,605 people in 2006-07 declared incomes in excess of $1 million and that their combined income was more than $10.7 billion, or an average of more than $1.9 million each. The chart from the Australia Institute also shows that the total tax payable by those earning over $1 million per year was just $2.15 billion, or less than 20 per cent of the money they took home. The Australia Institute’s report says:

The creation of an additional tax bracket with a tax rate of 50 per cent would enhance the equity, and progressivity—

There’s a good word!—

of the Australian tax system while, at the same time, raising a significant amount of revenue. Although in the current macroeconomic climate the contractionary effects of an increase in taxation are unwarranted, this could easily be overcome by increasing expenditure on a range of other measures, which would inject money into the communities that need it most. I commend the Greens motion to the Senate. It would, of course, be a call to the government as the Senate cannot directly increase or impose a tax. It is a very worthwhile motion and shows how the Greens would recoup a component of the money to extend the increased benefits beyond age pensioners to all the groups that I listed after the dinner break.

The Greens support this legislation. We have put up a proposal to make it better and to provide the money to make it apply to hundreds of thousands of Australians who have missed out. We would have improved the legislation by having the payment made in the recipients’ fortnightly income packet, not in a lump sum just before Christmas, but it is certainly better than the entreaties to increase the pension we made to the last government—entreaties which fell on deaf ears. I support the legislation, I call for support for the amendment and I look forward to the rest of this debate.

Senator CAMERON (New South Wales) (7.37 pm)—I rise today in support of the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008. It gives me great pleasure to support these bills today, because, during such unstable times for the national and international economy, this $10.4 billion strategy will strengthen our economy and give much-needed support to Australian households. When I walked in, Senator Williams asked me if I was going to talk about the last 11½ years. That is an invitation that I just cannot resist! But I will not spend too much time on the last 11½ years when, after listening to Senator Scullion for a short period of time, I see that they really have not learned much from them. They ended up with the Australian public turfing them out on their ears.

They still seem to think that the money that is in government coffers should be kept there regardless of the needs of the community, regardless of the needs of individual families and regardless of what is good for our economy. For 11½ years it was really ‘let the market rip’. That was the catch-cry of the Liberal-National coalition, and we saw what that did. It left us ill equipped to face this huge economic crisis that has devastated countries around the world and has seen many banks go to the wall. I will come back to the economic issues that the Liberals have left us for the future, and I thank Senator Williams for giving me the offer to talk about that.

While our economy is strong because we have had a strong national government, a government that is decisive, we still need to understand this global financial crisis. Decisive action is needed to ensure our economy remains strong. These bills are just what is needed for these difficult economic times. The global financial crisis is placing increasing pressures on budgets already stretched by the rising cost of living, and this is impacting millions of Australians. We need to act now
in order to reassure Australians that we recognise their concerns and that we recognise that they are struggling financially. This government will act responsibly and confidently.

The Economic Security Strategy is a discretionary fiscal stimulus package that is overwhelmingly focused on the first half of 2009 and is tightly targeted at key aspects of the economy: household consumption and dwelling investment. The strategy provides relief to those people in the community who have been struggling to meet rising costs for housing, petrol and food in the last couple of years, particularly those on low incomes or with children and other family members to support. The payments under this legislation are part of a long-term financial strategy. They are intended to provide additional support over the next nine months, between now and when long-term reforms are introduced from the beginning of the next financial year. This government is not about short-termism; this government is about dealing with the immediate problems and building a long-term strategy in the interest of the Australian community. These payments will provide immediate financial support to the Australians who are most in need of assistance: working families who the Liberal and National parties had forgotten about. We are going to support pensioners, seniors and people with disabilities, carers and veterans—the ordinary Australians who were forgotten about under the Howard government, the ordinary Australians who are struggling to keep their heads above water.

The Economic Security Strategy provides critical economic support and stimulation. It recognises the impact of the global financial crisis and it recognises the impact the crisis is having on the budgets of seniors, pensioners, carers and families. We are not going to take the stunt approach that the Liberal and National parties used when they called for an increase in the pension without any long-term strategy for the future, when for 11½ years they had ignored pensioners, when for 11½ years they wanted to let the market rip and not worry about how individuals suffered under the Howard government. This government understands the needs of Australian families, and the Economic Security Strategy means $3.9 billion in immediate financial support. Around two million families will be eligible for a $1,000 bonus payment for each child. The bonus payment is recognition that many Australian families are doing it particularly tough as the global financial crisis comes off the back of rising living costs. Through this bill, the government is moving decisively to make the already-strong Australian economy more resilient. At the same time, we are supporting pensioners and families through the global financial crisis.

Under the government’s Economic Security Strategy, over 5.2 million pensioners, carers and families will receive one-off payments. We do not agree with what we have heard from the other side about what this will result in. Labor do not believe that the majority of Australian families will go down to the pub and spend this in the pub or on the pokies, because we understand the real needs of Australian families. The real need of Australian families now is support for their weekly budgets to ensure that they get food on the table and that they can meet their bills. That will be the priority for Australian families—not, as we have heard from the other side, going down the pub and blowing their money on booze and pokies. I think that is an absolute insult to Australian families, and the opposition should reject that view tonight. You have an opportunity to respect Australian families and to move away from that nostruous view you have about ordinary working Australians and their incapacity to deal with the financial situation that they face at the moment.

This package is also recognition of the additional costs single pensioners face relative to couples. For the first time, lump-sum payments are being extended to include disability support pensioners. There was not a word about these pensioners in the Liberal Party’s bleating and rhetoric that we heard earlier in the year. All that they wanted was their short-term political grab on the front page of the Australian; if they got that, they were happy. They really did not care about pensioners. They just wanted a carping view to be put forward in relation to the government’s performance. The Australian public know about this government’s performance. The Australian government is well-respected and the Prime Minister is highly respected in terms of our response to this global economic situation that we are facing. The public are the litmus test of how well we are performing, not the carping that we hear almost on a daily basis from the opposition.

Under the coalition’s proposal, which now seems to have sunk without a trace, over 4.3 million of these pensioners, carers and families would have received no financial relief—not a cent for these ordinary Australians who are facing significant economic stress. Not one cent! It is clear that our proposal will provide more support and relief to the people of Australia most in need of assistance. For families with dependent children, from 8 December 2008, a payment of $1,000 will be made for each child for whom family tax benefit A was payable at 14 October 2008. Similarly, a $1,000 payment will be made for each dependent child who, as at 14 October 2008, either attracts or receives youth allowance, Abstudy living allowance, or an education allowance under the Veterans Children Education Scheme or the Military Rehabilitation and Compensation Act Education and Training Scheme. We have not forgotten these people, but the Liberals and the National Party had forgotten about them when they engaged in their earlier stunt on an increase for pensioners.
Our package and these benefits will assist around two million Australian families at an investment of $3.9 billion. These payments will arrive in time for the Christmas holiday period, so people will have this extra assistance to help relieve the pressure of the additional costs of Christmas. I know what it is like for a family trying to deal with Christmas on a modest income. I know what it is like trying to make sure that your kids are looked after during the Christmas period. Having to do the extra things that you need at Christmas holiday period, so people will have this extra payment under this legislation. None of those groups were ever mentioned in the absolutely feeble attack that has been launched on the government from the opposition benches over the 12 months. The payment will also go to self-funded retirees who hold a current Commonwealth seniors health card and to holders of a Veterans Affairs gold card.

The Economic Security Strategy payment for this group of Australians will be $1,400 for singles and $2,100 combined, if both members of a couple receive a qualifying payment, and $1,050 if only one of the couple does so. This is, again, an example of how far-reaching the impact of these bills will be. Providing further financial support to pensioners will result in a boost to the local economy. It will also provide single age pensioners, who often barely scrape by, with the financial capabilities to enjoy themselves in a bit better fashion than they have done in the last 11½ years under the coalition government. The government has delivered for the pensioners of Australia. People who, as at 14 October, were of age pension age and were receiving parenting payment, special benefit, Austudy payment or Abstudy living allowance will receive a payment under this legislation. None of those groups were ever mentioned in the absolutely feeble attack that has been launched on the government from the opposition benches over the 12 months. The payment will also go to self-funded retirees who hold a current Commonwealth seniors health card and to holders of a Veterans Affairs gold card.

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The total additional appropriation being sought through supplementary estimates bills Nos 1 and 2 is $1.33 billion. This is a significant and decisive economic response to deal with these extraordinary economic times. The tough decision made in the May budget to build up a surplus was a decision that we can applaud, as we now have a significant buffer to help us through this period of financial stress.

Supplementary estimates Appropriation Bill (No.1) seeks a total appropriation of $146.054 million for initiatives to assist Australians in their education, their housing and their general cost of living. Over $117 million will be invested in 56,000 additional productivity job seeker places in 2008-09. This funding for the Department of Education, Employment and Workplace Relations is for certificate 2, 3 and 4 levels.

In the next two years, this government will make a total additional commitment of over $187 million to
help develop the skills that Australian industry really needs. We are determined not to take the easy way out on skills. We are determined to ensure that never again will there be a crisis of skills in this country that weakens the economic capacity of the nation—a legacy of the Howard government, to depend on 456 and 457 visas to provide the skill base for the economy. The Howard government abysmally failed to deal with the skills issue in this country. The opposition parade around trying to pretend they were good economic managers—when they failed the economy, they failed the country and they failed the nation on this key economic issue. By expanding our approach to skills we will develop a stronger economy, an economy that can withstand international economic shocks in a way that the Liberal Party could never, ever dream of. (Time expired)

Senator POLLEY (Tasmania) (7.58 pm)—I seek leave to incorporate Senator Xenophon’s speech.

Leave granted.

Senator XENOPHON (South Australia) (7.58 pm)—The incorporated speech read as follows—

I wish to indicate my support for these three bills.

The nature of the current global financial crisis has been well documented in the media, and is being overviewed thoroughly in this chamber.

I do not wish to take up the time of the Senate by replicating that which has been already stated. However, I do wish to make several brief comments in relation to the Government’s handling of these bills.

Firstly, I would like to acknowledge the Government’s efforts to respond quickly to the recent resolutions of the G20 summit.

I note that the G20 called on Governments to act swiftly to implement ‘appropriate’ fiscal and monetary policy to provide financial stimulus to domestic demand and economic growth.

So on the surface, it would seem that calls from the G20 have vindicated the Government’s response.

However, I note the G20’s reference to ‘appropriate policy’ and wish to indicate that I have some concerns that the speed with which these bills have been developed and introduced has resulted in a lack of consultation, limited economic modelling and little consideration of unintended consequences.

More specifically, I am concerned by the rush in relation to the Nation Building funds, but I will reserve my comments in relation to this until the National Building Funds bills are before the Senate next week.

However, these bills are important because they are aimed at boosting confidence in our economy and providing much needed stimulation for the economy.

We must remember that the Australian economy is strong, perhaps amongst the most resilient in these difficult times, and we should not give in to those who peddle doom and gloom, predict the bottom will drop out of the markets or the sky will fall on our heads. I would echo the words of Reserve bank Governor, Glenn Stevens, when last week he urged for calm and argued that ‘about the biggest mistake we could make would be to talk ourselves into unnecessary economic weakness’.

He warned of the potential destabilising effect of Governments pulling away from worthwhile initiatives that are healthy for the economy due to the deterioration of budget balances.

I would urge the Government to be cautious in its claims that it will not allow the Budget to go into manageable deficit in the short term.

What is the purpose of long periods of economic growth and surplus after surplus, but to provide a buffer to the inevitable losses in tougher times?

We must remember that it is a principle of Keynesian economics that one of the main roles of Governments in the economy in difficult times is to foster confidence through prudent spending.

I note the recent debate which has emerged about whether or not the government should take the budget into deficit in order to stimulate the economy and stave off a recession.

I believe any sensible government would neither rule this option in or out. The truth is we are facing the most volatile markets since the great depression, and it is foolish to be picking a cure without knowing the extent of the problem.

Thirdly, I wish to put on record my concerns about the timing and nature of the Governments Economic Security Strategy:

In relation to timing, why has the Government decided to make the pensioner and family payments just before Christmas?

I can see the popular attraction that a financial gift from the Government just before Christmas might present, but is this the best for economic stimulus?

Why were the payments not split, one before Christmas, and another to stimulate the economy in the post Christmas sales slump?

There is also the real risk that, to use the words of WA Premier Colin Barnett, that these welfare payments will be boozed and gambled away.

While Mr Barnett’s comments were made in relation to indigenous communities, they do raise important broader questions for the Government.

If the ‘Government is serious about controlling binge drinking across the entire community, is a cash handout just before the Christmas season the best strategy to do this?

And if the Government is serious in its concerns about problem gambling, how can it be sure that this payment will be spent on presents, not pokies?

The Commonwealth has already displayed a shameful unwillingness to tackle the scourge of poker machines in our society, as witnessed by the majority report of the Community Affairs Committee in relation to the three poker machine Bills it considered.

The Federal Government has the power to help the states kick their addictions to poker machine revenue.

But I worry that by failing to act, poker machine venues around the country may see significant increases in revenue thanks to these payments.
If the Government is serious about stimulating the economy, why didn’t it split the payments before and after Christmas, or reduce the size of payments to allow for more money into infrastructure that will lead to the long term growth of our economy.

The rush that has underpinned the development and introduction of these bills has left these questions unexplored and unanswered.

And that is a great pity. To paraphrase National’s Senate Leader Senator Barnaby Joyce, before you blow half the surplus, wouldn’t you do some economic modelling?

Acting Deputy President, while I appreciate the broad intent of these bills, and the arguments for haste, I also believe it is important to put these concerns on record.

That said, and noting that these are Appropriation bills, I support the passing of these bills through second and third reading stages.

Senator MILNE (Tasmania) (7.58 pm)—I rise tonight to make a few comments on the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 and related bills. This legislation consists of a social security package, a $1.5 billion increase to the first home owners grant and $187 million to create 56,000 new training places in the Productivity Places Program for 2008-09. I remember not so long ago making a budget reply speech in 2006. The newspapers of the day had headlines, ‘Manna from heaven; rivers of gold’. They had huge photographs of the then Treasurer smiling—nothing could be wrong, everything was fabulous. I made the Greens’ budget reply speech and said that the Australian economy was more vulnerable than ever, much to the hoo-ha on the government benches. I said we were more vulnerable than ever because, under the Howard years, Australia had been taken back to an economy largely the same as it was in the early 19th century when we rode on the sheep’s back.

In my budget reply speech in 2006 I said that Australia had been taken back to being a quarry for the rest of the world. The manufacturing sector had been hollowed out and the jobs had gone overseas. Essentially, our budget position was entirely the result of a resource based economy, where the tax from corporate profits was actually driving the so-called wellbeing. Not only had we hollowed out the manufacturing sector, but we had also underfunded education, training and innovation, so that our skills base had been completely hollowed out as well. I indicated then that, with the twin challenges of climate change and peak oil, it would not be very long before the façade of economic wellbeing in Australia would collapse. I argued at the time that the silver lining of climate change and peak oil is that, in finding solutions to those issues, we address the vulnerabilities in the Australian economy in terms of rebuilding the manufacturing sector, investing in education and training and rolling out the renewable energy and environmental technologies that would create the jobs and solve the problems.

At the time, very few people were listening, but it is now clear that many people recognise that we are in fact in a position of overshoot. The same problem that has caused the financial meltdown has caused the ecological crisis, and that is excess debt. We have been in excess debt, which has caused the global financial crisis; and we are in excess ecological debt, which has caused the ecological meltdown which is climate change. And we are seeing it everywhere around Australia, from the collapse of the Murray-Darling system to the extreme weather events—which are not natural events; they are exacerbated by climate change. Yes, we have always had storms, floods and fires in Australia, but we are now having them more frequently and in more extreme terms. We have been told for some time that it will rain less often but, when it does rain, it will rain in a more extreme way and we should change our infrastructure so that we can cope with the changed circumstances. That has not happened, and we are seeing the consequences of that from Victoria right through to Queensland as we stand here in this Senate this evening.

It was obvious for some time that we should have been spending on mitigation, on adaptation to climate change, on rolling out energy efficiency and renewables and investing in education but, instead of this, we had both Liberal and Labor committed to $31 billion worth of tax cuts. And now we look at it and say, ‘Was that money well spent?’ I would argue that it was not. We needed to spend that money on infrastructure, to rebuild the nation in order to be able to cope with the future in terms of resource depletion and moving from a resource based to a low-carbon and eventually a net carbon zero economy.

I argued in the last budget that we should have been spending the money on retrofitting the nation’s houses. Instead of spending $31 billion on tax cuts, we could have spent $22 billion and retrofitted all of Australia’s 7.4 million houses with solar hot water and full insulation. Had we done that in the way that the Greens proposed, in which case 90 per cent of the households would have paid that money back over a further 10 years, the government would have actually got the money back. It would have been a serious investment in future infrastructure plus an investment in reduced emissions, plus an investment in socioeconomic equity. We know that when we put a price on carbon, energy bills will increase and we are going to have to see compensation to households. And there is no better way to compensate people than to permanently reduce their costs.

My concern about this legislation is that it is called an economic security strategy, but there is no strategy in a one-off payment. I agree that it is necessary to look...
at the payments for people in the social security system and to recognise that those payments are inadequate. But they were inadequate when both sides of this house thought it was appropriate to give away $31 billion in tax cuts and not improve the pension, not improve the payments to carers and not improve the payments to all of the people who will now be getting a one-off payment this Christmas. Yes, it will stimulate consumer spending and that may stimulate the economy to some extent, but to what end? What about next Christmas and the Christmas after that? What about when the extent, but to what end? What about next Christmas?

But they were inadequate when both sides of this house thought it was appropriate to give away $31 billion in tax cuts and not improve the payments to all of the people who will now be getting a one-off payment this Christmas. Yes, it will stimulate consumer spending and that may stimulate the economy to some extent, but to what end? What about next Christmas and the Christmas after that? What about when the energy bills come in in the middle of next year and people do not have the money to pay for them? What then? We use the word ‘strategy’, but a strategic response is actually spending money in a way that gets a long-term change or shift. This is actually buying time to see what happens, and I think the money could have been a lot better directed and spent.

Let me now go to the training places. We had only recently the CSIRO report *Growing the green collar economy: skills and labour challenges in reducing our greenhouse emissions and national environmental footprinting*. In the estimates just a few weeks ago, it was very clear that, apart from the upfront capital cost of energy efficiency and renewable energy for households, one of the main constraints to rolling out the technology is the lack of skilled tradesmen able to actually install a solar hot water system or to come in and do the kinds of work that are necessary to transform a home—whether it is installing a grey water system or installing some other energy efficient or water efficient technology. We should have been directing this series of training initiatives to looking at where the gaps are and where we need to direct the reskilling and upskilling of Australia’s population so that we meet the needs of the transition to a low-carbon economy. But it is not there. It is just a scattergun approach across the board. Hopefully some of this training package will go in the direction that I am outlining, but it will be hit and miss, rather than a strategic direction.

I introduced to this Senate a proposal for a national gross feed-in tariff. The government has said that it is not supporting that national gross feed-in tariff because it will increase the cost of energy to the extent of two or three cups of coffee a year per household. So it is not a great deal of money, but it would have created thousands of new jobs in the renewable energy sector and it would have reduced demand for coal-fired power. It would have accelerated the shift to the low-carbon economy. But, no, instead of that, we are going to stick to this occasional one-off payment. Would it not be better to have a permanent increase in the level of these payments so that people can budget? When it comes in as a one-off bonus, it is spent as a one-off bonus. I have no doubt that in many households it will be extremely well spent, but that does not alter the fact that it does not provide for a pattern of changed behav-

I would say that the approach that we have in Australia is not a strategic approach. It is strategic only to the extent that in an economic crisis the government needs to drive a stimulus into the economy and therefore we will unload this $10.5 billion into the economy in the hope that it will stave off a worsening crisis. Wouldn’t it have been better to direct that stimulus to those things that are necessary to address the vulnerabilities of climate change, peak oil, resource dependence, lack of education and the hollowing out of the manufacturing sector? Wouldn’t it have been better to direct the stimulus in that kind of way? At the same time as this is happening in Australia, just this week in the United States president-elect Obama signed a memorandum of understanding with the Chinese to work on major investments in the clean energy revolution. He knows exactly what needs to happen in the United States, which has lost its competitiveness with the rest of the world in manufacturing. He knows that he needs to drive a stimulus package that will drive the clean energy revolution and get back some competitive advantage in the United States. At the same time, he has said quite clearly that he intends to create 2½ million jobs in the next two years in the green energy economy, and he is going to spend on roads, bridges, windmills and solar panels. What are we spending our money on, apart from driving a consumer spending package prior to Christmas? A very tiny percentage is going into training places and some money is going into housing construction. But the housing construction is not accompanied by the innovation of setting much higher standards for new buildings which would require those buildings to meet energy efficiency standards and new sustainability standards in building materials—or in retraining builders, plumbers, architects and so on in the basic principles of sustainability.

In the United States, they now have someone in the presidency who sees clearly where the future is, where the competitive advantage lies, and how working with China will deliver it for the US. In Australia we have no such strategy. I would like to ask: where was Rupert Murdoch in 2006, when the rivers of gold and the manna from heaven were falling from the Treasury based on a resource-based economy? Why wasn’t he telling us how bad the education system was in Australia and about the need for an education revolution? I do not recall Rupert Murdoch ever making a single criticism of the hollowing out of manufacturing, of the underfunding of education, or of this complete disaster of economic management and the billions and billions of dollars worth of tax cuts. When he says that the Australian education system is a disaster, let’s have him specifically tell us what it is that is so disastrous about the education system we have. It is all very well to now decide that maybe more money should have been spent
on infrastructure, on education, but where was he at the
time? It was not fashionable or popular then to be say-
ing that riding on the quarry was not in the best inter-
ests of Australia. The problem is that we are still stuck
in a quarry mentality. That is where we are going to be
left behind, and that is where this economic stimulus
package goes wrong, in my view.

With the rest of the world moving rapidly on the
green new deal and recognising that with climate
change and peak oil there is a need for an economic
stimulus to go into the technologies that will drive a
low-carbon economy—everything from electric vehi-
cles through to renewable energy and massive invest-
ment in innovation—what have we got? Nothing ex-
cept a strategy to put more holes in the ground, an un-
strategic look at the education sector in terms of these
training places and a consumer stimulus package that is
not designed to drive any particular behavioural out-
comes in the Australian population.

We have got this strategy on carbon capture and
storage, and everybody else in the world is very happy
for Australia to spend its money on a technology which
is going nowhere while they spend their money on a
technology which is going everywhere. To highlight
this, just last week BP Solar announced it was closing
its factory in Sydney and going offshore, and 200
skilled jobs were to be lost. Was there a peep out of
anyone? Not at all. The Greens were out there, but no-
boby else was saying anything. If 200 jobs had been
lost in a mine or if 200 jobs had been lost from
logging in Tasmania, there would have been a scream
for a rescue package to make sure that those resource
based jobs stayed. But when it comes to manufacturing
jobs in the new economy, it seems that we are happy to
let those go offshore. Let me tell you that with the sig-
nal that Barack Obama has given in the last few days
about the stimulus package in the US being designed to
drive the green energy revolution, the green new deal,
we will see the US becoming the hub of renewable
energy, with China and with Europe, and we will see
yet more skilled, educated, incredibly brilliant people
leaving the country and going to the US. That is not
what a clever country ought to be doing. It is not what
an innovative economy ought to be doing.

Whilst the Greens are not opposing this economic
stimulus package, I think it is an incredible lost oppor-
tunity. I think it is a lost opportunity in terms of a stra-
tegic response to the global financial crisis. I would
have liked to have seen a much more targeted response
leading to long-term investments in areas where we
could build competitive advantage, rebuild manufac-
turing, get off our resource-based dependence, and in-
vest in education and a more sophisticated, happier and
healthier future.

Senator POLLEY (Tasmania) (8.14 pm)—I seek
leave to incorporate Senator Carol Brown’s speech.

Leave granted.

Senator CAROL BROWN (Tasmania) (8.14
pm)—The incorporated speech read as follows—

I rise in support of the Social Security and Other Legisla-
tion Amendment (Economic Security Strategy) Bill 2008 and
related bills—the legislation that delivers on the Govern-
ment’s $10.4 Billion Economic Security Strategy announced
by the Prime Minister and the Treasurer on the 14 October
this year.

The $10.4 Billion package is designed to strengthen the na-
tional economy, stimulate ongoing investment, and consumer
confidence and support Australian families in light of the
recent global economic slowdown.

Back in May this year, the Government delivered what has
been widely described as an economically responsible
budget, boasting a $21 billion surplus, which the Prime Min-
ister at the time stated would act as a buffer to secure the Na-
tion in economically hard times.

Unforeseeably since that time, unfortunately those economic
hard times have arisen.

Indeed in what is a little over six months since the Govern-
ment handed down the budget in May, Australia now finds
itself in serious and uncertain economic times, confronted by
a global financial crisis which is being billed as the worst
since the Great Depression.

While the Australian economy remains better placed that
most to endure the current downturn, it has become increas-
ingly apparent that we are by no means immune from the
global financial crisis.

Indeed, few could have predicted the scale and ferocity of
what has occurred in the six short months since the Govern-
ment handed down the budget in May.

The decline in global markets has generated a renewed need
for Government leadership both on a national and interna-
tional level—as people look to their Government for surety
and certainty in what are undoubtedly tough financial times.

Indeed, several nations including Australia, have answered
that call by announcing initiatives to secure the economy and
protect the interests of people—both at home and abroad.

Since the news of the crisis first hit, the Government has
announced a number of measures, specifically designed to
stabilise the Australian economy and secure the nation’s fu-
ture in the immediate as well as long term.

Indeed the Prime Minster has said that any action in light of
the global economic crisis must take place on two fronts—
securing the stability of the Australian financial markets and
actions which underpin growth in the Australian economy.

The Government has committed to guaranteeing all deposi-
tors and all deposits on term funding in all Australian banks,
building societies and credit unions, for the next three years.

Importantly it has also announced a number of other signifi-
cant investment initiatives designed to stimulate productivity
and ensure the health of the national economy now and in the
long term.

Just briefly these include:

• The announcement on the 10th November by the Gov-
ernment of a 13 year $6.2 billion investment in a New
Car Plan for a Greener Future and;
More recently the announcement of the $466 million to go to local councils and shires across the nation.

These recent announcements come on top of the Government’s budget commitment to pursuing a nation building agenda, inclusive of $26 billion in three new Building Australia Funds which include:

- The Building Australia Fund for transport and communications infrastructure,
- The Education Investment Fund for education and infrastructure;
- The Health and Hospitals fund for improved health infrastructure.

These payments are intended to provide additional support in the months between now and long-term reforms are introduced in the next financial year.

All of these measures combined with those contained in the bills currently before us add up to the actions of a Government which is committed and more than capable of steering Australia through these tough economic times.

The Government’s $10.4 billion economic security strategy to be enacted by these bills contains five key elements, each designed to stimulate the economy and to provide security and support Australian households, particularly those that have been doing it tough.

The bills deliver immediate financial relief to pensioners, seniors, carers, people with a disability, and families with dependent children in the form of a direct payment which are due to begin in a fortnights time—the week beginning the 8th December.

These measures will benefit over 5.2 million Australian families who will receive assistance in the form of a one-off payment.

This stands in stark contrast to the short-sighted and limited proposal made previously by the opposition, which would have ignored over 4.3 million of these people.

This includes a $4.8 billion worth of direct and immediate payments to pensioners and older Australians. Under the measures contained in this bill all Australians in receipt of the aged pension, disability support pension, carer payment, widow pension, widow B pension, service pension or income support supplement, or who had a Commonwealth senior health card as of the 14 October will receive a payment of $1,400 for singles or $2,100 couples.

This payment represents an intermediate down payment to provide additional support in the nine months between now and long-term reforms are introduced at the beginning of the next financial year.

This measure has received positive responses from the National Seniors Association, Carers Australia, the combined Pensioners and Superannuates Association and National Disability Services amongst others.

These measures also contain $3.9 billion worth of financial support payments to low to middle income families. It is estimated that this will provide direct assistance to around 2 million Australian families and 3.9 million Australian children.

This immediate payment once again comes on top of a number of other measures designed to provide some relief to the families during the May budget including tax cuts for working families and low income earners, the 50% childcare rebate and the education tax refund.

These payments will no doubt go some way to assisting families, as budgets tighten and with Christmas fast approaching.

Through these payments to families and pensioners the Government has sought to provide some immediate financial support to assist them through the current economic downturn.

However, the strategy also includes a number of other initiatives aimed at assisting Australians in the longer term and stimulating ongoing productivity, investment and economic growth.

As a testament to this the Government announced $1.5 billion worth of additional assistance for first home buyers.

Under this initiative first home buyers will be eligible for grants up to $21,000 to assist them to purchase their first home.

It is estimated that more than 150,000 first home buyers around the country will directly benefit from scheme which will see those first home buyers who purchase established homes receive a grant of $14,000—double the $7,000 previously available.

Further, first home buyers who purchase a newly constructed home will be eligible for a $21,000 grant—gaining an extra $14,000 on what was previously available.

This measure accompanied with previously announced housing initiatives such as the National Rental Affordability Scheme have received praise from the industry, as they promise not only to provide first home buyers and renters with viable housing solutions, they also offer an obvious boost to the industry, and stimulate ongoing activity in the area in the face of the wider economic down turn.

Importantly the strategy also includes a boost to training, with the Government announcing as part of the package that it will invest a further $187 million to create an additional 56,000 new training places in 2008-09.

This funding injection will:

- Effectively double the productivity places program from 57,000 to 113,000 in 2008-09 and;
- Take the government total investment in training places since April to more than $400 million.

This is a welcome and necessary investment in human capital and infrastructure, and will offer a boost in an area significantly underfunded and ignored by the previous government.

Indeed under the previous Government it was estimated that over 325,000 people were actually turned away from TAFE because of their chronic underfunding of training places.

This led the Australian Industry Group to estimate just last year that we require an additional 270,000 more trained people to fill the current skills shortage in Australia.

The Government recognises that if the economy is to remain stable now and in the long term, more needs to be done to invest in human and essential infrastructure.

That is why the final feature of the government strategy is an undertaking by the government to fast-track its national building agenda to help fortify the nation from the global economic crisis.
As a result the Government will accelerate the implementation of each of its three previously mentioned infrastructure funds, so that work on key projects under the funds can begin next year.

In all the Government’s economic security strategy contained in this bill represents decisive action and an investment in the nation’s immediate as well as long term future.

It represents a commitment by the Government to assist and support those Australians most likely to be suffering as a result of the global economic downturn.

It represents a commitment to do what it can to boost consumer confidence and encourage continued investment.

It also represents a genuine commitment to industry and the private sector that it is now dealing with a Government that is willing to take a leadership role and is determined to pursue a nation-building agenda to secure the nation’s future for the long term.

Therefore the measures contained in this bill represent a $10.4 billion down payment to Australian pensioners and their families, and industry and the private sector in light of the global economic crisis.

I, along with I am sure many other Australians, welcome the package and commend it to the Senate.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (8.14 pm)—I rise tonight to talk about the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 and related bills. Right from the word go, I think I have been consistent—and I speak on behalf of some of my colleagues—in saying that I do not agree with this package. I think it is badly put together. There is no thought behind it. It was absolutely amazing to sit through Treasury’s evidence at estimates and find out that the figure of $10.4 billion—half our nation’s surplus—was just plucked out of thin air. After years of saving and all the privations that the Australian people have had to go through in putting that money aside, the money is now being basically squandered, with $8.7 billion of it being spent in one night.

Economically, this is a very bad package. It is badly put together. There is no thought behind it. It was absolutely amazing to sit through Treasury’s evidence at estimates and find out that the figure of $10.4 billion—half our nation’s surplus—was just plucked out of thin air. After years of saving and all the privations that the Australian people have had to go through in putting that money aside, the money is now being basically squandered, with $8.7 billion of it being spent in one night.

Socially, this package is very, very bad. Socially, this package will have huge ramifications in certain areas. When large amounts of money turn up on 8 December there will be certain hotels throughout our nation where it will be like Guy Fawkes Night and the Fourth of July all rolled into one. That is the ramifications when you drop large amounts of money. I draw on my experiences from working for the St Vincent de Paul Society for about 20 years. When large amounts of money line up in bank accounts on one night, that money turns into alcohol and drugs. The result is people getting beaten up, sexually assaulted and a whole range of things that flow one after the other. You should have thought about that. You should have thought about the way you delivered this package. It is a ridiculous concept.

People who have some serious concerns may put the money in the bank, but of course if they put it in the bank the fiscal multiplier is zero. It will have no effect. If they go out and spend it, like you want them to, do you have any semblance of a clue as to what will happen next and what will happen to the people that that happens to? It just seems to have gone straight through to the keeper. Apart from anything else, I find that highly irresponsible and peculiar.

Politically, unfortunately, this is going to be a great kick in front of the post for us. This will come to a point where we will be able to turn around and say, ‘It worked. Therefore you are right and we are wrong.’ You will take the political accolades and laurels for that. But if you are wrong we will be able to take this to the next election, because Australians will gripe about it. That is because, as we go into deficit, we will have to borrow back the money that you wasted through a program that did not work. That is where you are heading: straight into deficit. We will have to go to the world market, where there is so much insecurity, to borrow those funds, or borrow them domestically. Either way, the effect will be to push up interest rates and that will go home to every household as they have to pay for your lack of prudence and your stupidity.

This comes from a group that, before the election, lauded themselves as economic conservatives. You cannot be economic conservatives on the one hand and on the other never even bother to go to Treasury to get the modelling to spend half the nation’s surplus. It is just oxymoronic that you can live with both these claims: ‘I’m an economic conservative who spends half the nation’s surplus without doing any modelling.’ Where did the number of $10.4 billion come from? Where did it arrive from? Who was the genius who came up with that amount? Where does that person reside? They are the questions that are going to be asked by so many Australians.

Let us look at exactly what is going to happen. Suppose this money goes into retail spending, especially on electronic goods. The fiscal multiplier for that is zero unless people have to put on staff on overtime. In a retail area which is already established, all the shops are already there; all the mechanisms are already there. There is no reason to expand the economy. If this money is spent on buying imported goods, unless you are going to work late at night and you have to put on staff on overtime, there is basically no real reason for the economy to move at all. So the economy goes no-
where by reason of this stimulus package—either on the one hand, where people are putting the money in the bank, or on the other hand, where the money is basically disappearing or being squandered.

So why did we do it? For anybody who gets money in their bank account, yes, there is going to be a sense of elation, without a shadow of a doubt. But everyone who does not will remember you. Everyone who does not, who sees their money being squandered in a hotel, being squandered on gambling or having no effect—where we still end up in the recession we were in—will hold you to account for that. They will hold you to account for the opportunity cost, for what might have been. They will hold you to account when they go to a public hospital and it is not able to provide a service because the money was not there to build another hospital. They will say, ‘That money was in that surplus that you wasted.’ They will hold you to account when they see that they cannot get certain treatments that they wanted on the PBS. They will say, ‘That was the money you wasted.’ They will hold you to account because the infrastructure to build such things as inland rail or to beef up our ports will be lost. They will say, ‘Our nation could have had an asset which at a later stage it would have been able to sell and recoup some funds from to be used for other issues, but we will not be to do it because you have squandered the money.’

We have brought up the issue of renewable energy. We have heard that the Renewable Fuels Association is now looking at second-generation biorenewable fuel so that people can actually eat the grain and, through ligno-cellulose transfer, create fuel out of chaff. That is an all-round win. People will be inspired to grow more grain, feed the world and, at the same time, create fuel. But we cannot invest in that because we have wasted the money. We have the Australian Navy home for Christmas because we have run out of money, because the Prime Minister has wasted the funds.

These are the sorts of decisions which will come home to the Australian people in terms of the veracity and efficacy of this package. You will not be able to fob it off by saying it is somewhere else. This whole package is based on the conceit that Australia, with 1½ per cent of the world’s GDP, can change the world economy around. It cannot. We have had out there for so long the myth about the decoupling of the world economy—that we live in some sort of nirvana that separates us from the driver of the world economy, the United States of America, which has about 26 per cent of the world’s GDP. But the United States of America is the cockpit of the plane and, no matter where you are on that plane, you are going in the same direction.

What we had before you spent the money was the capacity to put money aside to deal with all the factors that are coming down the track towards us, such as unemployment and infrastructure spending. We have lost funds, through your choices and actions, that would be invested in such things as the Infrastructure Fund to make up for gaps that will become apparent. These funds are lost because we no longer have money put aside. You talk about the Keynesian idea—and I am a great follower of John Maynard Keynes—of a balance through the cycle. What cycle? You are only at the start of your cycle. You have only just kicked off. You have only just made the first year and you are already responsible for spending virtually the whole surplus. Surely someone is going to pick up on this. Labor has been in government for 12 months and the surplus is gone.

What we have been seeing on the TV with the depression in the stock market is an indicator of the problem to come; it is not the problem that is here at the moment. It is the harbinger of what is coming. It is the harbinger of where the real grief will happen when people really are out of work. But what is Australia going to do? It is going to put $8.7 billion in people’s bank accounts in some vain belief that buying flat-screen televisions and a whole range of other consumer items is somehow going to stimulate the Chinese economy or the US economy and reboot the whole show. I do not believe for one second that Treasury ever gave you any advice like that. We know that this was done with no modelling. I do not know if you have done any modelling already. Maybe that is a question that can be asked later on. Have you ever done any modelling on this package or is it still out there in never-never land as a marvellous idea? This is going to cause immense conjecture among the Australia people about exactly what you are up to.

What I do want to know is: what is your turn of the cycle? You are at the start of your government and you have already spent the surplus. We are heading into what we know is going to be a decisive and traumatic economic period. Where do you see the cycle at? What is your forecast for when we start to get unemployment at six or seven per cent? How are you going to handle that and where is the money going to turn up from? How are you going to deal with the matter-of-fact, day-to-day occurrences of an economy which I think costs about $1 trillion a year to run? Where are these funds going to come from? In spending this money are you going to look at more cuts in other areas? Are the amorphous and nebulous efficiency dividends suddenly going to appear again at Senate estimates? Will they turn into other new and fantastic amounts which no-one has a clue how we are going to meet?

This is the form of Labor government management. It follows a path from the Fuelwatch scheme and the ridiculous 36-hour scenario. Everyone is charging around in frantic anticipation of delivering a package
when they do not have a clue what it is going to do—and, when they actually deliver it, it does absolutely nothing and has to be parked away in a cupboard. Fuelwatch was a precursor of what was about to come with GroceryWatch, with the Royal Australian Navy being parked over Christmas and with the government spending half the surplus in one fell swoop. This is starting to show a consistency in exactly what this government is. At the same time, we have the Prime Minister’s overseas travels. Everyone understands that the Prime Minister has to travel but, my gosh, does he have to travel this much? Is he ever here? This all starts to show a sense of disjunction, of distraction, of running away from a problem. You should do the hard yards at home before you go visiting people overseas. It is of great concern in terms of exactly where this nation is going.

It was peculiar to go through the fiscal multiplier of this. For those who are still listening to this, the fiscal multiplier means the dollar return in the economy from every dollar you spend. Does a dollar spent equal another dollar? At the very best, Mr Gruen tells us, it is dollar for dollar. But that premise does not work because people are buying imported goods in a retail infrastructure that is already present. It does not work because certain people might actually put the money in the bank, in which case it will have no effect. It does not work if someone just squanders it in one fell swoop, by reason of social conditioning, which unfortunately causes the exploitation of people who line up with money in their bank accounts.

I would happily take Labor Party members who wish to go on a journey, a little trip, around a few places to see exactly how this money will be spent, if they are honest enough to recognise it. I plead with them: even if you are going to go forward with this package, please break it up into smaller components over a period of time because, if you do not, those who are vulnerable will spend it, but they will not spend it in the form of the economy that you anticipated.

Senator Conroy interjecting—

Senator Joyce—I do not know why you have that fascinated look on your face, Senator Conroy. You know that is the case. It was you, Senator Conroy, who said during Senate estimates that this decision was a government decision. So it is a government decision, and the government will have to accept the responsibility for what happens next. The surplus is gone. The ramifications economically are zero. The social impacts in some areas are going to be atrocious. The political benefit ultimately will fall into our laps, because the thing will not work. And what is going to be the response then? Is that when we will get the change of Treasurer that everyone is anticipating? Is that when that will happen? Are we going to load poor old Mr Swan up with this and send him over the cliff as the scapegoat on this issue?

Why couldn’t we have foreshadowed the stimulus through certain things as infrastructure, certain things that we can inspire the Australian nation with—a future cashflow, so that people can load up and start preparing for a future cashflow? You do not even have a clue at this point in time about what your contingent liability is on your banking guarantee. Ultimately, if you have to borrow money because you have squandered the money, people are going to ask the question: what sort of contingent liabilities are out there for them when they lend money to the Australian people? You do not have a clue what it is. What is the value of your guarantee? How much does it cost? Does anyone know? They will be the questions that the people who lend you the credit will be asking you, and that will be what affects your margin on the money they lend you.

And they will be lending us money. They will be lending us money, I predict, within 12 months because we will have run this nation into a deficit. And, if this plays out the way the world perceives it will, that will not even be the start of a period of great financial hardship throughout the world. I hope and pray that it is not. I hope and pray that we get out and that it finishes as quickly as possible, but it is going to be harder for Australia than it should have been, because what we built up over such a long period of time and the condition in which we gave the nation to the next government have been completely squandered within 12 months.

This is going to be a real test for the Labor Party, first, of whether they have the courage to change the form in which this payment turns up. They must acknowledge that the form in which it turns up in so many areas is going to be a social disaster. Do they have the courage at least to mitigate that effect, or do they pretend that they have an excuse for why certain families and certain households—certain working families—deserve that sort of blight to be brought home to them on 8 December? Do they have the honesty to come into the chamber and tell us what the long-term plan is because this money has gone—where they are going to be borrowing the money from, how much it is going to cost us and what the effect is on the Australian people by reason of other decisions that the government have made? Do they have the strength to politically stand behind their decision in the long term, or will they be looking for an out clause, an excuse, a reason as to why it was not their fault and it is someone else’s fault now? Will they have some other nebulous, nefarious reason why they are no longer at the helm of the economy and they are just another passenger on their own train to destitution?

It is always the way. I come from the state of Queensland, where they are heading now towards a
debt of $65 billion, and in New South Wales it is a fi-

asco. This form of Labor Party management unfortu-
nately is now coming to rest back on a federal level. It
is not management at all; it is just ad hocery, and this
ad hocery is going to cost Australia dearly.

Senator LUDLAM (Western Australia) (8.34
pm)—There is a phrase that Senator Milne used a short
while ago in her comments, which is ‘missed oppor-
tunity’. I just rise briefly tonight to speak on the First
Home Owner Grant: it is not means tested. With so many
people who do not actually need it could be used to
boost the economy in other ways, principally, we
would suggest, by spending it on housing solutions for
people who are really doing it tough, such as the home-
less.

Another worthy alternative, as Senator Milne indi-
cated earlier, would be directing the money to up
grade the energy efficiency of Australia’s housing stock,
which would lower living costs, create employment,
stimulate the economy and reduce carbon emissions,
all at the same time. Instead we have a blunt, un-
targeted increase in the First Home Owner Grant to peo-
ple who do not necessarily need it in the first place,
which we believe will prove inflationary. So I go back
to Senator Milne’s earlier phrase which we could per-
haps apply to this stimulus package overall: ‘a missed
opportunity’.

Senator MARK BISHOP (Western Australia) (8.38
pm)—I rise in support of the Social Security and Other
Legislation Amendment (Economic Security Strategy)
Bill 2008 along with its companion legislation. These
bills seek additional appropriations for one great pur-
pose, to strengthen our economy and support house-
holds through the current global financial economic
crisis. Looking back to the election of the Rudd gov-
ernment in November last year, we see that clearly the
world was a very different place. But, as we know,
nothing stays the same. Today we are in the midst of
great global financial turmoil, the likes of which has
not been experienced by my generation. The crisis is
real and it is impacting on economies right around the
world. It needs to be addressed through determined,
coordinated and positive action in the critical months
and years that lie ahead.

As we know, our economy is fundamentally sound
because it is underpinned by a world-class regulatory
framework, the foundation of which was constructed
during Labor’s last term of government between 1983
and 1996. It must be conceded, however, that we are
not immune from international events. The economies
of the world are increasingly interconnected. They will
become more and more connected and dependent on
each other as we move through the decades ahead. And
the current credit crunch, it must be said, is indeed
sending out ripples.

The mid-year economic forecast predicts weaker
GDP growth. It also predicts a rise in unemployment
levels over the May budget forecast. Indeed, taken together these are times of serious challenges and our government is in the midst of properly responding to those challenges. It has responded to changed international circumstances. We are taking early, appropriate and decisive action. We have moved quickly to guarantee the bank deposits of all Australians. We did this to reassure Australians that their hard-earned savings are safe and are not going to be dissipated. We have moved quickly to guarantee wholesale funding to authorised deposit-taking institutions. We have moved quickly to implement the $10.4 billion Economic Security Strategy, a strategy that will, if it does nothing else, stimulate economic activity and protect the weakest and the most vulnerable in our community. In parallel, the Reserve Bank of Australia has announced a series of interest rate cuts. Interest rates have been cut by 100 basis points in October and by a further 75 basis points in November.

Australia is not alone. Countries around the world are implementing a range of fiscal stimulus packages in response to the crisis.

The US has announced with much fanfare a $750 billion package. China’s package totals US$585 billion. Japan’s totals $68 billion and South Korea’s totals $11 billion. In committing to the packages, it is important to remember that, along with other members of the G20, these developed and emerging economies account for 80 per cent of world trade, 85 per cent of the world’s banking system and 85 per cent of gross national product around the world. The packages enunciated in each of those different countries emphasises a common understanding, an understanding that targeted and timely fiscal measures remain an important tool for governments to use to guarantee and support economic growth. It is where fiscal and monetary policy work in tandem to strengthen the economy and protect households during this current global financial crisis.

While the government is acting decisively in response to the global financial crisis, it is important that we do not lose concentration and focus on the future. This stimulus package will kick-start our economy while we continue to look at long-term reform of our taxation and pension systems. The measures contained in these bills provide payments to those in our community who are most vulnerable. The payments to be made, as we all know, after 8 December are a payment of $1,400 for single pensioners, seniors and veterans; a payment of $2,100 for pensioner couples; $1,000 for those in receipt of a carer allowance; and, most importantly for younger families, $1,000 for each dependent child for families eligible for family tax benefit part A.

It is important to note that, for the first time, disability support pensioners will be included in the package outlined by the government to protect the most needy in our community. What does this mean to pensioners in my home state? I would like to talk about its impact on one elderly lady who has been to see me in recent times in my office. I have no doubt Gloria will not mind me speaking about her circumstances. She was widowed some 30 years ago and today is a great-great-grandmother. I will not mention her age except to say that Gloria has survived on the age pension for a considerable period of time.

As a single pensioner, Gloria currently receives $281.05 per week. She has a lovely pensioner unit provided by state housing, and her passion is her courtyard garden. She has never complained about pension rates and is happy and content in her community. But on that figure of $281.05 life is tough. After paying for rent, electricity, telephone, water, prescriptions and, of course, food, there is not a great deal left over. As a single pensioner, Gloria does not have a car or medical insurance. Content insurance for her home is also an unaffordable luxury.

For many years, Gloria has been fortunate that her family helps provide her with what many consider necessities, such as clothing, linen and other household items. By being assisted in this way, Gloria has a degree of independence and, most importantly, dignity—the independence to buy a birthday gift for a grandchild without worrying about ‘robbing Peter to pay Paul’. The payment in December will give peace of mind to Gloria at what is arguably a very difficult time for pensioners.

Gloria is not alone—Christmas is a difficult time for most low-income families and households. I have been told that Gloria and her friends at their seniors club are pleased, very encouraged, that they will receive the payment. It will help with Christmas presents and maybe a new outfit. For Christmas, the government has given single pensioners—and indeed all the others that I outlined—a degree of peace of mind. But it is our commitment to long-term pension reform that is most welcome.

The government recognises always that much more needs to be done. Further measures in the Economic Security Strategy include an increase in the first home owners scheme from $7,000 to $14,000 for the purchase of an established home or $21,000 for a newly constructed home. The increase to the first home owners scheme will provide an added incentive for first home buyers to enter the housing market and establish their way forward over the coming decades. It builds on the Rudd government’s commitment to helping young people get a start to get into their own home.

We now have the $1.1 billion First Home Saver Accounts, to encourage savings for homeownership, and the Housing Affordability Fund, which will deliver more homes more quickly, at less cost, and set up thousands and thousands of young people to move into independence and start their own way of life. Legislation
has also been introduced this week for the National Rental Affordability Scheme. This scheme will provide significant funds to build 50,000 new rental properties. A further $100 million has been allocated for the construction of new homes for the homeless.

These initiatives address both the demand and supply problems that currently exist within our communities. This package of incentives is a comprehensive start in addressing housing affordability and accessibility. Importantly, in these difficult times, these measures will also strengthen our housing and construction industry.

A third component to the Economic Security Strategy is funding for an additional 56,000 places in the Productivity Places Program. The program aims to increase the skills of job seekers, providing pathways to gaining worthwhile, permanent and recognisable qualifications. The additional places are available in this financial year.

Australia is well placed to weather the economic storm clouds that are coming to our shores. As the Governor of the Reserve Bank recently said, ‘We should be quietly confident about the future.’ These bills are a key component in the government’s $10.4 billion Economic Security Strategy and will deliver immediate financial assistance to almost 75 per cent of families with dependent children. Think about that: almost 75 per cent of families with dependent children will receive immediate, recognisable, significant financial assistance. These payments also constitute a down payment on long-term pension reform for seniors and veterans and will provide assistance between now and when reforms are introduced post next year’s May budget.

We know the global financial crisis is placing increased pressure on family and home budgets—budgets already much stretched by the rising cost of living. That is why the Rudd government are taking decisive action. Unlike those opposite, the government will not pit pensioner groups one against another. Under our plan, two million carers, people with disabilities and pensioner couples have not been excluded. They are first and foremost in our minds. This Economic Security Strategy will deliver assistance to four million pensioners and two million families. Under the opposition’s plan, one-quarter of that number would have received some degree of financial relief. I commend the bills to the Senate.

Senator McGauran (Victoria) (8.51 pm)—We are debating here this evening the Labor Party’s so-called economic stimulus. It is also, as other speakers have mentioned, now 12 months to the day since the Labor Party were elected to government. Symbolically the Prime Minister is not here today. He is overseas on one of his trips. The APEC meeting is probably a significant trip in itself, but when you add up all his trips, nothing could be more symbolic than his not being here at work.

Senator Mark Bishop—Yes—at work, 24 hours a day.

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—Order!

Senator McGauran—You see, the interjection here—

The ACTING DEPUTY PRESIDENT—Order! Senator McGauran, would you please resume your seat.

Senator McGauran—The truth of the—

The ACTING DEPUTY PRESIDENT—Excuse me, Senator McGauran: I have asked you to resume your seat. Please do not talk over me when I am calling the chamber to order. Senator Bishop, you were heard in, I think, complete silence. I think that Senator McGauran should be given the same recognition.

Senator Sterle interjecting—

The ACTING DEPUTY PRESIDENT—Senator Sterle! Order! Senators, please do not start a conversation or a match across the chamber just after I have called the chamber to order, please.

Senator McGauran—I commend you on your actions, because—

The ACTING DEPUTY PRESIDENT—Senator McGauran, I would just like you to speak to the bills before the chamber.

Senator McGauran—Is it any wonder that the government are looking around in their budget for replacement aeroplanes for the 737, worn out as it is? But it is very significant that the Prime Minister has gone overseas or has been to some 18-plus countries within the first 12 months of his government. Some of those meetings have been necessary and significant like the one that he is at now, ironically. The interjections from the other side were saying that they were all worthwhile. Well, they were not all worthwhile. I think your own side would admit there was a bit of indulgence in many of the trips he took. Who would want to be foreign affairs minister in this government? They are the real menservants on these trips.

The ACTING DEPUTY PRESIDENT—Senator McGauran, I hate to interrupt your speech so early, but, while I know that we accept a substantial degree of latitude, we are actually debating the bills before the chamber—the social security and other legislation amendment bill and the appropriation bills. I draw that to your attention.

Senator McGauran—Okay. I would like to run a report card on the first 12 months of the government—in the context of these financial bills, of course.

Senator Mark Bishop—Don’t do that to me, Julian!
The ACTING DEPUTY PRESIDENT—Order! Senator Bishop, would you please restrain yourself to allow Senator McGauran to actually get started on his speech.

Senator McGauran—It is worthy to note that no government—not even the Whitlam government, I would venture to say—has come into office with such high expectations on them as have the Rudd government, because the people put their trust in them before the last election. Mr Rudd promised the people so much. Let us go through the things he did promise them before the election and what has been delivered post the election, in the first 12 months. There has been plenty of time to have delivered on the promises that he made prior to the election.

First of all, of course, he promised that he would fix petrol prices. He came up with the Fuelwatch scheme. Luckily for the government, the Senate voted the Fuelwatch scheme down. Not even their first appointed fuel commissioner could stay on the job. He could see there was no work to be done—certainly not meaningful work—and he quit the post. You see, the whole idea behind the Fuelwatch scheme was classic Labor price-fixing: that is all it was. It was just an old-fashioned price-fixing scheme. It was never going to work, and it was going to put out of business the independent operators that keep competition in the market. So the Fuelwatch scheme within the first 12 months went by the by.

Even more absurd and unworkable than the Fuelwatch scheme is the GroceryWatch website—and that is all it amounts to: a website. It does not work. I see that the figures now show that people are not using it anymore. There was initial interest. There were a significant number of hits in its early stages—as you would expect, since the government promoted it so that people would go onto this website. But when they got there—what a disappointment. It just names a region. It is only ever updated once a month. And it is a ‘basket’ of goods and you do not even know what is in the basket. It is a farce and a fallacy, and it is costing the taxpayers money—millions of dollars a year. So I dare say that eventually the government will put that in cold storage, too.

Take the education revolution, that we heard about in question time today. That was another commitment, a big commitment: a computer for every student between years 9 and 12. That was the election promise. And what have we got? We heard Senator Carr today talk about less than one per cent of students having received a computer. And we are not even sure whether those computers are plugged in, because the state governments will not meet the extra costs. The revolution never came about.

The blame game was another big promise prior to the election. Twelve months on, what have we got? I think we misunderstood what the blame game was. It was in fact that the states and the federal government were not going to blame each other for lifting taxes! As soon as the Labor Party came into government federally they lifted transport taxes, user charges and truck registrations. That was your first job—in cooperation with the states, I should add. I see that Mr Brumby has got his hand out for more money. And he is critical of the federal government. He is already floating the idea that the GST is just not enough—floating the idea that perhaps a rise is in the wind.

Another great commitment of Mr Rudd, as he looked down the barrel during the election period, was that he was going to tell it straight to the Australian people. Mr Rudd was going to tell it straight. Anyone who has been in politics long enough knows what a fake commitment that was, particularly from the Prime Minister. Nevertheless, the Australian people put their trust in him. That is something, Senator Sherry, you ought to cherish.

Senator Sherry—And they were right.

Senator McGauran—Well, the report card is very poor.

The ACTING DEPUTY PRESIDENT—Order! Would you please cease interjecting, Senator Sherry.

Senator Sherry interjecting—

The ACTING DEPUTY PRESIDENT—Senator Sherry! And, Senator McGauran, you should direct your remarks through the chair and you should not have conversations directly across the chamber.

Senator McGauran—Mr Acting Deputy President, I do not think the Prime Minister has told it straight as he promised he would. As recently as the last few weeks, he had a private conversation with Mr Bush and that conversation leaked out. What was leaked was false; nevertheless, it leaked out. And we all know exactly—as President Bush, I should add, knows exactly—who did the talking, who did the boasting at the dinner party with the editor of the Australian. It is as clear as a bell. He does not tell it straight. It is all about Mr Rudd.

Mr Rudd did not tell it straight when he made one of the biggest financial decisions in the midst of this crisis, that of guaranteeing bank fund deposits. That had the cascading effect of freezing non-bank funds. People had their money frozen. Did anyone ever think that in this country you could not access your savings or the funds that you need when they were with organisations such as AMP and AXA? That is what has happened, and it happened because of a Prime Minister who never told it straight to the Australian people and who made a knee-jerk decision in reaction to Mr Turnbull’s suggestion. Mr Rudd did not consult the Reserve Bank, as he told us that he did.
Senator Sterle—Mr Deputy President, having to sit through this is cruelty to dumb animals.

Senator McGauran—You might get him to withdraw that. No? Okay.

The DEPUTY PRESIDENT—I am sorry, Senator McGauran, are you taking a point of order or are you standing on your feet continuing?

Senator McGauran—No, I will let it go. I mean, talk about dumb animals.

The Prime Minister does not shoot straight. His own side knows that. They know the vainglorious manner of this Prime Minister. When he first ran for leader of their party, Mr Rudd got one vote and that was his own. Of course, circumstances, fortune and fate came together and he is now Prime Minister. Yes, Senator Sterle, you may be connected to the man but there are a lot of people on your side, particularly in the ministry, who are not connected to this centralist Prime Minister who, after 12 months, holds all power and decisions within his own department. That is no way to run a government. He fails on that score. That is the report card to date. But before I get on to the economic report card, I should add that the Australian people are waking up to the all talk, no substance, no action spin. You will get a committee, you will get a green paper, you will get a white paper and you will get a draft. You will get an interim report and a final report. There are discussion papers, scoping studies and summits out there. What happened to the 2020 summit? What a farce that was. They will always set up an inquiry for you and commissions with commissioners, bodies to oversee and bodies to advise, but there will never be much action on the ground.

The Prime Minister is always declaring war, either on drugs—it is all big talk on drugs—on cancer, on inflation, on unemployment or on global unemployment. He has declared war on whalers—whatever came of that? Nothing. Aboriginal disadvantage—

Senator Sherry—Do you want to talk about poker machines?

Senator McGauran—He has declared war on poker machines, on porn, on doping in sport and on bankers’ salaries. He is fighting everyone but there is no action. That is the type of government we have running our economy, and it is really starting to show. The bungles are all there, and they came very early. Mr Rudd claims that Gough Whitlam is his political hero and that he models himself on him. Well, he is doing a fine job, because there has not been a worse bungler since Gough Whitlam.

Mr Rudd’s first mistake was to make Mr Swan, his old classmate, the Treasurer. This is the man who, when people had their life savings frozen indefinitely—and they are still frozen—notoriously made the comment that they should go to Centrelink. That is the Treasurer we have up there, who we all know is out of his depth. In the first months of this government they launched a political attack on the previous government. For sheer political reasons and with no interest in running the economy soundly or taking up the reins of national responsibility, they talked up inflation. To that end, the Reserve Bank reacted. The government egged the Reserve Bank on to lift interest rates. Within the first three months, by February, interest rates were going up and working families were being hurt badly. It was around February-March that consumer and business confidence plunged. That was prior to the major effects of the global subprime crisis hitting our shores. We already had a crisis in consumer confidence. We already had interest rates notch up and inflation being talked up. That was their second mistake.

Let us go through their bungles: they appointed the wrong treasurer and then they started to talk the economy down and inflation up. And they got the reaction that hurt the very working families they said that they represented. What were the immortal words of the Treasurer when their first budget came along? He said, ‘This is a classic Labor budget.’ All of a sudden we saw about $19 billion of taxes that were not talked about before the election. I do not remember them being talked about before the election. They did not say that they were going to lift taxes by $19 billion. They called their first budget a classic Labor budget, and that is what the Australian people got—taxes on alcopops, luxury cars, condensate and passenger movement. A whole array of taxes, announced prior to the election. That is a classic Labor budget, and then consumer and business confidence plunged even more.

Post budget, the full effect of the subprime crash hit our shores. Before I get on to the—

Senator Sterle—To the bill!

Senator McGauran—This is all about the bill. Before I get onto that issue yet again, what really benchmarks the incompetence of the first 12 months of this government is the blanket guarantee of bank deposits. I see Senator Sherry sitting there. He has some responsibility in this, but I would say that more than anyone it finds its way back to the Treasurer and the Prime Minister. Before that decision was made, a decision to ban short selling—

Senator Sherry interjecting—

Senator McGauran—Another knee-jerk reaction—the first point. Senator Sherry—was made over a weekend. The rules were changed about three times on Friday, Saturday and Sunday. By Monday the stock market had no idea what the rules were, and for the first time in its history the Australian stock market, which was already red raw, did not open its doors until the afternoon. In the morning, it was shut.

Senator Sherry—Rubbish!
Senator McGauran—It did not open up on time, Senator Sherry. That has never happened in Australia before. So not only do we have a stock market that does not understand the instructions handed down by the regulators—via the government, I should add, who are in constant contact with the regulators; and you have some responsibility in that—but we have never had the stock exchange be late in opening. It happens under a Labor government. But, worse than that, as I said, the real benchmark in the first 12 months of this government, the real effect upon hundreds of thousands of Australians, is in fact the knee-jerk reaction in placing a blanket guarantee over bank deposits. Blind Freddy could have seen, with bells and whistles, what was going to happen once you made that decision—and it did happen. Of course people moved, or attempted to move, their own savings and deposits into the more secure deposits, the banks. The non-bank sector was severely affected and had to bring down a freeze. I do not know how long that freeze is going to last, or what legality there is behind that freeze lasting more than 12 months. And once it is lifted we do not know what the reaction is going to be. But what we do know is that the decision was a mistake and it ought to be adjusted. It should have been adjusted within days, but it still stands today because of the pride of the Prime Minister. Senator Sherry ought to march in there and say, ‘The damage this decision—’. No, of course you would not; of course you are laughing. It is an absurd suggestion to think you would ever have that sort of courage. You would not get past the receptionist, Senator Sherry. But someone with courage, someone in the caucus, someone in the party room, ought to have that decision reversed, because hundreds of thousands of Australians cannot access their property, their rights. What right has a government to cause that sort of effect? Of course, the banks themselves have made the suggestion to the government that the guarantee ought to be capped. The Reserve Bank gave advice that the guarantee ought to be capped. But we have a Prime Minister determined to stick to the decision he made, come what may, whatever the cancerous effect that it is having in the financial world.

And we have the mid-year review. Who is believing that? No-one. It is already out of date. It was fiddled with so as to give a two per cent growth rate that not even the IMF, the OECD or the Reserve Bank could agree with. Only the government would come up with that figure, produced by Treasury, and we already know it is a fallacy and is not to be believed. You cannot work off that figure, but the government is working off it. We all know—Access Economics on the 7.30 Report tonight were quite adamant—that this is a budget that is going to plunge into deficit. So, within the first 12 months of this government, there goes the surplus—blown. Blown on what? On this bill that has no modelling at all. It is just a knee-jerk reaction to throw money out there—and they call themselves economic conservatives. I guess that was another commitment that the government made, that they were economic conservatives. They are far from being economic conservatives. This is classic Labor after 12 months. I had no idea you would rush to being such a Labor Party within the first 12 months. This is quite stunning. I would have thought that maybe by the third year we would have seen you reveal yourselves as Labor being Labor. But nothing has become more sure in 12 months than that this is a Labor government, incompetent in their management, who have made a bad world economic situation worse. Yet they came in with a legacy that other governments would kill for. That is actually a quote from the Reserve Bank governor. He said other countries would kill for the fundamentals that Australia has. Labor has failed the report card. (Time expired)

Senator Fielding (Victoria—Leader of the Family First Party) (9.12 pm)—It has been a long time coming, but finally Australia’s four million pensioners, carers and seniors will get some help they so desperately need. Family First supports the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008, which provides a $10.4 billion stimulus to the Australian economy by giving Australia’s pensioners, carers and seniors and two million families bonus lump-sum payments early next month. Pensioners receiving one of the range of payments like age pension, disability support pension, carers payment and others will receive $1,400 for those on single payment and $2,100 for couples. Families receiving family tax benefit part A will receive $1,000 for each eligible child. People receiving carer allowance will receive $1,000 for each person they care for. It is crazy to think it has taken a global financial crisis to put a rocket under the Rudd government to give pensioners a fair go. Pensioners have been overlooked for too long. This pension bonus is an important first step, but the government is on notice that it must follow through and provide Australian pensioners with enough to live on to allow for a reasonable quality of life and the dignity they so deserve. Put simply, they need a fairer go.

It is not good enough that pensioners have to live on a bag of rice for a week, mixed in with a can of baked beans. They deserve better. And do not forget that this bonus payment works nicely for the government. The government is only giving pensioners extra money because it will stimulate the Australian economy and lessen the impact of the world economic downturn; at the same time, the government is trying to appease a vocal bunch of very unhappy pensioners, angry that their incomes have fallen behind and that they have to struggle fortnight to fortnight. The government’s hope, of course, is that pensioners and families spend this money sensibly and quickly to give a boost to the
economy. Family First hopes that happens too. But Family First is also calling on those looking to spend this bonus to consider turbocharging the effect of their spending on the local economy by buying Australian-made goods and produce wherever possible.

Buying Australian made supports local employment and gives a boost to businesses—especially small businesses—maximising the benefit for Australians. Buying Australian is an investment in Australia’s economic future. During this time of economic strife, the federal government should also consider changing its procurement policies so that preference is given to Australian-made goods when they are of equal quality to goods made elsewhere. This would maximise the impact of federal government spending in shoring up our economy in times of financial crisis and lead the way for others to spend these bonus payments on Australian-made goods where they can. People don’t want a government that acts like a company, spending just to get the best deal but not caring where the purchase comes from. They want a government that cares about local jobs and acts accordingly, commanding respect, loyalty and pride.

The question remains, though, whether the Australians who receive the $10.4 billion in bonuses will spend the money or save it. Many pensioners find lump-sum payments useful as it helps them to buy larger items they would otherwise have difficulty saving for with their limited means—items like a new fridge or washing machine to replace ones continually breaking down. Because of the increasing cost of living, families too often find it difficult to scrape together a lump sum of cash for work around the house or to replace the failing fridge. But no-one would blame pensioners and families for using the money to pay off debt or for putting it aside to save it for a rainy day.

I want to take a moment to consider how we have got to this point where the world is in a financial crisis and we need to spend half the budget surplus on a massive stimulus package. It is easy to point to a lot of dodgy home loans in the United States, where people were lent money they could not possibly afford to pay back. But underlying this is a broader cultural change. The United States, we have moved to an economy characterised much more by consumption than by production. In my first speech in this chamber, I made the comment that the free-market mantra of choice, competition and consumerism is in conflict with family and community. The $10.4 billion plan recognises the change in our economy towards consumerism and asks pensioners and families to spend to save the economy. It is based on encouraging consumerism rather than production.

That reflects changes in our economy over the past 10, 20 or more years, where the emphasis has been on spending and consumerism rather than on the more traditional approach of saving up for purchases. Today, if we want it, we buy it and put it on the never-never. That is a very big change from past years and one that has contributed to our current situation. In 1990, Australian household debt as a proportion of average household disposable income was about 50 per cent. Today, it is more than triple that amount: 160 per cent. Over the past 10 years, the ratio of interest payments on housing and other personal debt as a proportion of household gross disposable income has doubled. We need to think about reclaiming a savings culture so we can avoid these problems reoccurring in the future. We should refocus on living within our means. But a savings culture means a drop in consumer spending, so it has to be a gradual adjustment.

One of the difficulties of economics today is that it tends to dominate and define our culture rather than our cultural values dominating and defining the economy. In our market-driven world, we are constantly told we are individuals and that we have choices. We are told that we make rational decisions in our own interests. Consumerism is accompanied by and encouraged by a belief in the individual and autonomy rather than in family and community. We should aspire to more than consuming. I do not claim to be immune from this bug that we have all caught, but we do need to realise that consuming in itself is not the way to a fulfilling life. Fulfilment comes from family and children, from creating a supportive and encouraging community of Australians who look beyond what they can buy to instead focus on who they are and what they want their country to be: a country that recognises the work of its older citizens and ensures they live a life of dignity—not one of scrimping to pay for their next meal.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.20 pm)—I am summing up on behalf of the Rudd Labor government the package of legislation, known as the Economic Security Strategy, that the Senate has before it. It is traditional in these appropriation debates to range far and wide, and I am going to respond to a couple of points that Senator McGauran in particular made. He ranged so far and wide that he did not speak from his own seat. I will get to some specific contributions shortly.

However, I do want to congratulate Senator Fielding. I think he made a very thoughtful contribution. It went to one of the underlying causes of the credit crisis that we have seen—known colloquially as the US subprime housing crisis—and the importance of ensuring that we have a responsible lending regime, unlike the US. That was the base cause of the US economic crisis that now confronts the global community. It is in response to that economic crisis, which has its cause in the United States—about which I have spoken on a number of occasions in this place—that the govern-
ment has taken a range of decisive actions, and the appropriations legislation we are considering is one of those decisive actions. It delivers a $10.4 billion Economic Security Strategy to strengthen the Australian economy and to support Australians through these difficult times.

The Economic Security Strategy provides relief to those in the community who have been struggling in the past couple of years to meet rising costs of housing, petrol and food, particularly those on low incomes or with children and other family members to support, and I think very deservedly so, not as Senator McGauran described, ‘They’re throwing money at these people.’ It was a particularly derogatory description, Senator McGauran, of people who really do it tough at the best of times and who, in the current economic turmoil facing the world, deserve priority consideration. I appreciate that, in debates such as this, that there is a wide-ranging contribution on all manner of issues, but I thought your reference to people in that almost sneering throwaway line that they were not deserving of support was particularly unfortunate.

The Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 will assist some four million pensioners and two million families, Senator McGauran—I am glad you are here to hear just who is being assisted. The bill will deliver a $4.8 billion down payment to pensioners, leading up to comprehensive reform of the pension system. Effectively, this is additional support before essential long-term reforms are made by this Labor government in the context of the 2009-10 budget.

Essential reforms to our pension system, Senator McGauran and members of the Liberal-National Party, that were not carried out in your almost 12 long years of office. You did nothing for pensioners. And I will get to one of the claims that you made, and this is where you really did lose touch—

The Acting Deputy President (Senator Forshaw)—Senator Sherry, I remind you to address your remarks through the chair.

Senator Sherry—Through you, Mr Acting Deputy President, the argument is made by members of the former Liberal-National government that they introduced indexation of the aged pension to MTAWE—male total average weekly earnings. Firstly, Senator McGauran, I would suggest if you are going to use jargon, use jargon that the general population can understand. This is a real example just how out of touch those opposite became in those almost 12 long years. The indexation of the aged pension to male total average weekly earnings rather than to the old CPI, the lesser value index consumer price index, was introduced by the Hawke Labor government. That was one of the first actions it took in 1983 when it took office. It introduced it then, Senator McGauran, through you, Mr Acting Deputy President. The Liberal-National Party thought it was some magnificent coup to enshrine this policy in law and it did that, but that did not increase the indexation pension at all. You enshrined it in law, but it was actually the Hawke Labor government which introduced the policy. It delivered the extra money.

The Liberal-National Party kid themselves and fool themselves into believing—unfortunately, they probably got convinced by either the former Prime Minister or the Treasurer—that they had actually done something real for pensioners, when in fact the legislation itself did not deliver one cent extra to pensioners. It had already been delivered. They believe that they made some major monetary improvement for aged pensioners when in fact they had not delivered the action or the money increase—they delivered the legislation. I just think that is another typical example of how out of touch they became, convincing themselves that they had actually done something meaningful.

The social security bill provides a further $3.9 billion, targeted at Australian families whose family budgets are already stretched by financial pressures flowing from the current global economic difficulties. The package of payments provided by the bill to pensioners and families will be made over the fortnight starting on 8 December and most payments will be made automatically. People who received one of a range of social security and veterans entitlements qualifying payments on 14 October 2008 will receive these economic security strategy payments. These include people—and these are the sorts of people that Senator McGauran referred to in such a derogatory fashion—receiving age, disability support, wife, widow B and veterans service pensions; income support supplement; carer payment; and partner, widow and bereavement allowances. I hope Senator McGauran, in particular, is taking note of just who these payments are to go to. For the first time, disability support pensioners, along with other customer groups, will receive a lump sum payment. The government recognises that disability support pensioners are just as much under financial pressure as other pensioners.

Other Australians who will also receive an economic security strategy payment include those who, on 14 October 2008, were of age pension age and received parenting payment, special benefit, Austudy payment or Abstudy living allowance. Self-funded retirees who, on 14 October 2008, held a current Commonwealth seniors health card and holders of a Veterans’ Affairs gold card who were eligible for seniors’ concession allowance on that date will not miss out. They will also be eligible for an economic security strategy payment.

If any pensioners and seniors were not actually receiving a qualifying payment on 14 October 2008, but had claimed the qualifying payment by that date and
later had their qualifying payment backdated to cover that date, they will still get the economic security strategy payment. Similar backdating arrangements will apply for qualifying card holders.

Senator McGauran, in one part of his contribution, derided the current Treasurer, Wayne Swan, for suggesting that individuals should check their entitlements with Centrelink. These are the same entitlements that the Treasurer, Mr Swan, was drawing their attention to—and rightly so. I am a little taken aback by the criticism levelled by members of the Liberal and National parties with respect to retired individuals—retirees, part-pensioners—who are actually entitled to a part-pension payment or may become entitled to a full pension payment if their financial circumstances have changed. Members of the Liberal and National parties seem to think that they should not claim it. They paid their taxes and they are perfectly entitled, and it should be publicly drawn to their attention to go and check on their entitlements. And, as I understand, many have done so—hundreds of thousands. How dare Senator McGauran, on behalf of the Liberal and National parties, suggest that the Treasurer, Mr Swan, was wrong in drawing this to the attention of people who have paid their taxes and retired and suggest that they should not inquire as to their eligibility for payments. Just how out of touch is Senator McGauran?

Senator Sterle—You’re being kind; I could think of a lot of other words.

Senator SHERRY—I am being kind, am I? I have only just started. The Economic Security Strategy payment—

Senator McGauran—Madam Acting Deputy President, I rise on a point of order. Littered—and I mean ‘littered’—throughout the whole speech of Senator Sherry has been two points that he has made with regard to my presentation.

The ACTING DEPUTY PRESIDENT (Senator Troeth)—What is the point of order, Senator McGauran?

Senator McGauran—Utter, complete, comprehensive, deliberate, outrageous, mischievous misrepresentation.

The ACTING DEPUTY PRESIDENT—That is not a point of order.

Senator SHERRY—Through you, Madam Acting Deputy President, if that is the case, Senator McGauran, I do not know what your contribution represented to the debate before the chamber. The Economic Security Strategy payment for this group of Australians will be $1,400 for singles, $2,100 combined if both members of a couple receive a qualifying payment and $1,050 if only one of the couple does.

There will be a special Economic Security Strategy payment for people receiving a non-means-tested social security income supplement—carer allowance. People who were receiving a carer allowance on 14 October 2008 will be paid $1,000 for each eligible person in their care. If the carer allowance for one care receiver is shared between two or more carers, the Economic Security Strategy payment will be shared on a similar basis. People who were receiving the carer allowance on 14 October 2008 will be paid $1,000 for each eligible person they care for. If the carer allowance for one care receiver is shared between two or more carers, the Economic Security Strategy payment will be similarly shared.

The Economic Security Strategy payments provided by the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 will also give immediate financial support to around two million Australian families with dependent children. A payment of $1,000 will be made for each child eligible for family tax benefit part A at 14 October 2008. In addition, $1,000 will also be paid for each dependent child who, at 14 October 2008, was either eligible for or received youth allowance, Abstudy living allowance or an education allowance under the Veterans’ Children Education Scheme or the Military Rehabilitation and Compensation Act. If any of these qualifying payments for families is shared between two people under the usual rules for that payment, the payment will be similarly shared. Families will receive these payments even if the qualifying payment is not actually being received on 14 October 2008 but is later backdated to cover that date. For example, the small number of families who claim their family tax benefit part A annually as a lump sum will receive their Economic Security Strategy payment when their 2008-09 income assessment has been finalised and their family tax benefit lump sum is paid.

The payments made under the bill will not generally need to be claimed. They will not count as income for social security, family assistance and veteran entitlements purposes and will be tax free. The bill also provides for relevant ministers to establish, by legislative instrument, administrative schemes to provide payments in circumstances where the statutory regime does not produce an appropriate result.

The Appropriation (Economic Security Strategy) Bill (No. 1) 2008-2009 provides for an investment of over $117 million to create 56,000 additional productivity job seeker places in 2008-09. This funding will effectively double the places from 57,000 to 113,000 in 2008-09. These new places will take the Rudd government’s total commitment to the program to more than $2 billion, with over 700,000 new training places created over five years. By expanding the Productivity Places Program, the government is building on a program that has already proved its worth. This bill also provides funding to the Department of Veterans’ Af-
fairs to facilitate payments under the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008. Funding will also be provided to conduct a public information campaign to ensure that those eligible recipients for the Economic Security Strategy payment and the first home owners boost are advised about their entitlement.

Appropriation (Economic Security Strategy) Bill (No. 2) 2008-2009 will strengthen the Australian housing market by providing $1.5 billion over two years through the first home owners boost. In addition to the first home owners grant, first home owner-buyers who purchase established homes will receive an extra $7,000 to take their grant to $14,000. First home buyers who purchase a newly-constructed home will receive an extra $14,000 to take their grant to $21,000. The first home owners boost will be available to eligible first home buyers who enter into a contract between 14 October 2008 and 30 June 2009.

The Economic Security Strategy and the measures in these bills show this government’s determination to strengthen the Australian economy and support Australian pensioners and families through the global financial crisis. The Economic Security Strategy will provide a substantial increase in skills and training places, build a stronger Australian housing market and make home ownership accessible to more Australians. I do not think I heard anyone from the Liberal-National Party specifically oppose any of these measures, although it was often very difficult to work out in their contributions whether they were supporting or opposing the appropriation, given the tenor of their comments on this particular legislation. As has been mentioned, we face the most significant financial crisis since the 1920s and 1930s.

Senator McGauran—You made it worse.

Senator SHERRY—Senator McGauran interjects again. For Senator McGauran—through you, Madam Acting Deputy President—we have seen the collapse of some 30 banks. I do not know what has happened to Citibank; they are in the process of being bailed out. Around the world, some 30 banks have been nationalised, force-merged and bailed out, principally in the US and Europe. No banks collapsed in Australia. For students of economic history, it was not the collapse of the equities market in the 1920s—the great crash of 1929—that caused the world depression. It was the collapse of banks and the collapse in faith that business and individuals had in the banking system that led to the economic collapse. This government makes no apologies for acting decisively with our bank guarantee and wholesale guarantee. We make no apologies for acting decisively with our bank guarantee and wholesale guarantee. We make no apologies for acting decisively with our bank guarantee and wholesale guarantee.

Senator McGauran—You ought to.

Senator SHERRY—We needed to act decisively to members of the Liberal-National opposition. In these sorts of circumstances, you need to get in there, recognise there is a serious problem and attempt to head the problem off with decisive action. Again, there are a number of governments around the world which are taking similar actions to our economic stimulus package. Unfortunately they are not in the same budget position as this government is, after its fiscally responsible, indeed conservative, budget was handed down in May. It was a very strong budget with a strong surplus that we built up. I must say that, unfortunately, the now Liberal-National Party opposition has been very negative. They have opposed bill after bill in this Senate chamber and have not recognised the seriousness of this economic crisis and the necessity of ensuring that we had a substantial fiscal surplus as a buffer in these turbulent economic times.

A number of speakers opposite have referred to the number of inquiries. Yes, we have had inquiries, but we have taken action. I will give a couple of examples. Under the former Liberal-National Party government, there were five inquiries to transfer the regulation of financial services from the states and territories to the national government, creating one national financial regulator—all the more important because of what has happened in the US. They had five inquiries in 12 years, and the former Liberal-National Party did nothing. They did not act on those five inquiries. We have had one inquiry and we have acted. We decided: one single national standard financial market regulation and supervision in Australia. That is one example of a positive outcome from the cooperation between the states and the Commonwealth. It is not the bleak picture that Senator McGauran and others opposite have painted. This stimulus package is appropriately targeted to help those who need help most in the current environment. (Time expired)

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

The Senate divided. [9.46 pm]
(The President—Senator the Hon. JJ Hogg)

| Ayes | 5 |
| Noes | 38 |
| Majority | 33 |

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

NOES
Arbib, M.V. Bishop, T.M.
Boyce, S. Brown, C.L.
Cameron, D.N. Carr, K.J.
Cash, M.C. Collins, J.
Cormann, M.H.P. Crossin, P.M.
Eggleston, A. Farrell, D.E.
Tonight I want to talk about one area of policy that has been completely transformed under the Rudd government, and that is the area of immigration policy. I noticed that none of the report cards on the Rudd government published in the media over the weekend mentioned the Minister for Immigration and Citizenship, Senator Evans, or the achievements of the government in this very important area. But it should not be allowed to pass without comment that, in the first year of the Rudd Labor government, Senator Evans has efficiently and effectively implemented Labor policy and established a fairer, more effective and more humane immigration policy.

Under the Howard government, immigration policy was seen mainly as a political wedge to be used against the Labor Party. In 2001, as we all recall, the Howard government won an election which they would otherwise have lost by exploiting anti-immigration hysteria in the wake of the *Tampa* affair. All of this has been detailed in the *Howard Years* program showing on the ABC, tonight's episode of which finished only moments ago.

Seldom have we seen a more disgraceful performance, a performance more harmful to Australia’s international reputation and social cohesion, than we saw in that campaign. Yet, far from being ashamed of themselves for whipping up xenophobia for their own shallow party-political ends, the Liberal Party were so proud of it that in 2007 they tried to do it again—this time using the case of the unfortunate Dr Haneef to blow up in their faces.

Even when the Howard government was not exploiting immigration as an election-winning gimmick, they were making a hash of immigration policy. Who can forget the disgraceful case of Cornelia Rau, an Australian permanent resident, a person with a mental illness, who was unlawfully detained in Baxter Detention Centre for 10 months; or Vivian Alvarez Solon, an Australian citizen who was unlawfully deported to the Philippines for four years and kept there even after the government knew she had been wrongly deported.

The worst aspect of the former government’s policy was the so-called Pacific solution. This entailed dumping everyone who attempted to enter Australia without authorisation in desolate detention centres on remote Pacific islands, and leaving them there to rot in the hope that they would despair of ever having their claims processed and agree to go back to where they came from. Apart from the inhumanity of this policy, it should not be forgotten that this was very expensive. The Howard government spent nearly $310 million between 2001 and 2008 to run the detention centres on Nauru and Manus Island. For all the Howard government’s bluster—‘We will decide who comes to Australia’—most of those unfortunate people were eventually determined to be genuine refugees and resettled in Australia. The Pacific solution had nothing to do with running an effective and humane, let alone cost-effective, immigration system. It did not even have much to do with border protection. It had a lot to do with politics and political advantage.

Labor came to office pledging to end the Pacific solution, and we have done just that. I commend the minister for his prompt action in ending this blot on Aus-
tra-ylvania’s reputation. We have also abolished the Howard government’s temporary protection visas, which were, as the minister recently said, ‘inhumane, unfair and ineffective’. TPVs actually encouraged illegal immigration. Because people on TPVs had no access to family reunion, their spouses and children were most likely to risk their lives trying to get to Australia in leaky boats. Again, contrary to the line put out by the Howard government, most of those here on TPVs were eventually found to be genuine refugees and were granted permanent residence when eventually their claims were properly assessed.

So what has the Rudd government done since coming to office? In March the minister announced that he would personally review the cases of all 72 people who had been in detention for more than two years. Of those 72 cases, 32 have now been found to be genuine asylum seekers and have been granted visas. Another 13 have been found to be ineligible and have been deported. Only 17 cases are still being processed. These statistics show that the Howard government was not only cynical and inhumane in its treatment of people who had genuine claims to residence but also dilatory in removing those who did not have a genuine claim. That is a critical point. Apparently it suited the Howard government’s purposes to have these people kept indefinitely on Nauru or Manus rather than either letting them into Australia or sending them home. They were political pawns.

The minister recently reported that the total number of people in immigration detention is now 279, including 44 in community detention. This compares with 449 people in immigration detention when Labor came to office a year ago. Of those currently in detention, only half are asylum seekers. Under Labor, detention will only be used as a last resort and only for the shortest possible period. It is of course impossible to abolish immigration detention altogether. There will always be a certain number of people who are in Australia illegally and must be detained while their cases are processed. But, under Labor, detention will no longer be used indiscriminately, arbitrarily or for political purposes. The minister said recently:

... this illustrates a fundamental difference between this government and the last. We firmly believe that we can have strong and effective border security while also treating people seeking our protection with fairness and humanity.

None of this means that the Rudd government has gone soft on people-smuggling or illegal immigration, as those opposite will no doubt be keen to allege. But it does mean that we think the best way to tackle people-smuggling is not by demonising or punishing those who are unfortunate, desperate or deluded enough to believe that paying a people smuggler is a good idea. It means that we think cooperating with the UNHCR, the International Organisation for Migration and our regional neighbours, particularly Indonesia and PNG, is the best way to cut off people-smuggling at its source.

International people-smuggling is still a big business in many parts of the world. Every year, thousands of people risk their lives trying to enter European countries such as Spain, Italy and Greece illegally. But in this part of the world we have seen no revival of people-smuggling. This is because we are cooperating effectively with our neighbours and international organisations to deter people-smuggling and to provide genuine asylum seekers with a legal path to asylum in Australia, and because we are swiftly removing those who have no legitimate claim. I congratulate the minister on all of this. In one year he has gone a long way to repairing the damage to our immigration program and our international reputation. That no doubt is why the United Nations High Commissioner for Refugees, Antonio Guterres, recently described Australia as a model asylum country.

I will finish with a plea that the minister give serious consideration to the issue of detention debts. I have recently become aware of the case of a Pakistani man who was detained after overstaying his student visa. He is now trying to pay off a debt to the Department of Immigration and Citizenship of more than $60,000, in the hope of one day being able to apply to again come to Australia. He works as a cook and has a wife and child. He is paying off his debt at the rate of $100 a week from his very modest income. The debt of $60,000 arose from a combination of detention fees and legal fees incurred while he was in detention in Australia. It is deplorable that a wealthy country such as Australia is insisting on recovering a debt from someone in these circumstances. The minister said recently:

This government is acutely aware of the inequities and injustices that flow from the detention debt policy. I have been actively exploring the resolution of that issue.

I am encouraged by this comment from the minister, and I urge him to continue to look for that resolution.

Ngukurr

Senator CROSSIN (Northern Territory) (9.59 pm)—This evening I rise to draw the attention of the Senate to a community in the Northern Territory known as Ngukurr and their story over the past 100 years. The Ngukurr community is an Aboriginal community in the very north of Australia, in Arnhem Land. The community have grown from their establishment as Arnhem Land’s first mission to be a thriving community. They are Aboriginal people and they are proud of it. Today I want to tell you some of their story, their struggles and their triumphs.

This year marks the 100th anniversary since the mission was established at Ngukurr. One hundred years is quite an achievement. To celebrate this anniversary, the community have compiled a book of their stories
called We are Aboriginal: Our 100 years from Arnhem Land’s first mission to Ngukurr today. The Ngukurr peoples are keeping their history alive through this book, ensuring that the story of their peoples will be known and shared by future generations. The community are located on the Roper River, which marks the southern boundary of Arnhem Land. Ngukurr peoples have achieved much over the past 100 years, including publishing the first complete Bible in Kriol, their native language. This was also the first Bible to be published in this country in an Aboriginal language.

Fortunately, the Ngukurr peoples are not part of the stolen generation. However, their history is not without tragedy. In fact, the mission was established to help protect them from merciless massacres that were being carried out against their families. The community speak of the many killed at the hands of stockmen. The mission took in many Aboriginal groups from around Arnhem Land who had been attacked during those times. The community have taken steps to put this sad history behind them, acknowledging the sorrow message and sympathising with those of the stolen generations. They are moving into the future, stating: ‘We don’t carry the past as a burden. We have learnt about forgiveness and let go of hurts from the past.’

The people at Ngukurr speak about the missionaries—those who came and brought the good news of God—fondly. They speak of how the Christian faith has been integrated into their traditional beliefs and practices and how their elders cleaned up the adultery and death threats from their ceremonies. The missionaries also brought health and education services to the Aboriginal people. They helped them clear the land, build schools and houses, grow vegetables and look after the cattle, so many skills were in fact passed on to these people.

The first mission ended in the 1930s and the second one ended in 1968. The government then took over the management of the community. Of course, since 1978, with the proclamation of self-government in the Northern Territory, it has been the responsibility of the Northern Territory. The missionaries tried to help the Ngukurr people fight the many diseases that they were susceptible to. Interestingly, the Macassans from Indonesia, with whom they traded, brought leprosy and yaws to the Australian Aboriginals.

The church plays a very important part in the life of the Ngukurr peoples even to this day, and the people speak fondly of their church leader, ‘Gambuli’, who has been their leader for over 30 years. A man named James Japanna played a key role as a leader in the community and the church and as a school teacher. Many Aboriginal people took up the mantle of the church, and James Japanna spread the teachings of the Bible to the Aboriginal people of Arnhem Land. He is a well-respected person in their community.

As I have already said, in 2007 the community proudly launched the complete Bible in Kriol. From 1945 there were attempts to write the stories from the Bible in a language the people from Ngukurr could relate to. These attempts were in a language called Wubuy. Referred to as the Kriol Baibul, it was launched in Katherine on 5 May 2007. It took 35 years to realise this achievement, and it was due to the efforts of many people. When you think about it, it is an outstanding achievement to translate the Bible into a language that is barely written in this country. The teamwork behind this Bible is demonstrative of the importance of its presence to the community, and it is an important step for the recognition of Aboriginal languages in our society.

Ngukurr is a close community, with everyone acknowledging some form of kinship—as is the case, of course, in Indigenous communities—with other members of the community. These complex family ties are an important feature of the Aboriginal culture. Aboriginal communities from Northern Australia can relate to their family and to any other family they may meet, for that matter, through their complex ‘skin’ systems.

From the early mission times, the Ngukurr people have retained leadership over their community. Even in the 1960s, the council was predominantly Aboriginal. Today, many Aboriginal members of that community are in fact church leaders in Arnhem Land.

The book that they have launched on the celebration of 100 years of their community reflects the importance of community and family to the Ngukurr people. It details the stories of many people who have lived in or passed through the mission. This is important in ensuring the survival of Kriol. This Australian Aboriginal language has 30,000 speakers. It is a phonetic language, and it has been spoken in Ngukurr for more than 100 years—in fact, probably hundreds of years. It is a form of pidgin English. There are many languages of the people of Arnhem Land that we currently know, but Kriol is spoken regularly and used in homes and in church, ensuring its relevance and survival for the new generations of Ngukurr. The language is spoken as far west as Broome, as far south as Tennant Creek and as far north as Darwin. Kriol speakers are proud to claim that Kriol is their language. It gained prominence in 1973 through the work of John Sandefur, who wrote a Kriol grammar. Many other people have published language studies, dictionaries and grammar books for the languages of the many people of the mission.

Ngukurr was established as a mission in 1908, and by the 1930s it had grown into a small town. One hundred people were in regular residence and others would visit regularly. However, by 1931 Arnhem Land had been declared an Aboriginal reserve. In the 1960s the Church Missionary Society won the mining rights for the people of Groote Eylandt. In 1973 the Northern
Land Council was formed to assist people in the battle for their land rights.

There are still many challenges for the people of the Ngukurr community, even to this very day. The land is affected by wild buffaloes and pigs. Cane toads have now managed to infiltrate this area, posing a threat to native wildlife. Floods are also a regular problem. The community is located next to the Roper River and has been destroyed many times by flooding. When we next talk in this country about rebuilding this nation through infrastructure and having massive infrastructure programs, I suspect that the need for a bridge over the Roper River, to assist the Ngukurr community, will be overlooked once again. However, I note a colleague of mine, the Northern Territory Minister for Children and Families, Malarndirri McCarthy, while in Canberra just two weeks ago, reminded my colleagues of the need to produce funding for a bridge to this community. I have tried to get to the Ngukurr community, to visit these people, during the wet season. I know that for five to seven months of the year this community is cut off from the rest of the Northern Territory and from access in Arnhem Land because the river floods. In fact, if you want to get to the Ngukurr community in the wet season, you have to get on a boat near the Roper Bar Store and travel upstream for about 20 minutes to the landing at Ngukurr. So a bridge over the Roper River would certainly be welcome relief for many people who are trapped in this community during the wet season.

Australia and its senators should be applauding this community. The Ngukurr community is moving into the future and letting go of the past. This is a community that is embracing new practices and beliefs and integrating these with its traditional beliefs and practices. We should acknowledge the achievement of these people in fostering their language and preserving it for future generations. I would like to take this opportunity before the year ends to acknowledge the Ngukurr community. I acknowledge that it is celebrating its future and letting go of the past. This is a community that is embracing new practices and beliefs and integrating these with its traditional beliefs and practices. We should acknowledge the achievement of these people in fostering their language and preserving it for future generations.

Pensions and Benefits

Senator McGAURAN (Victoria) (10.09 pm)—I want to correct the record as to when I believe the Minister for Superannuation and Corporate Law, Senator Sherry, seriously misrepresented me when we were discussing the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 and the two related appropriation bills. Senator Sherry claimed that in my address prior to his I was saying that the government were throwing money at pensioners in a derogatory way. Nothing could be further from the truth. In fact, as Senator Sherry would recall, if he bothers to recall, it was the coalition that kept the pressure on the government to give some sort of payment—we did set a figure—to pensioners in this time of need and crisis. Senator Sherry conveniently overlooked that and sought to seriously misrepresent me when he claimed I said that the government were throwing money away at pensioners.

The point I made in my address was this: that the package of some $10 billion-plus was never put through Treasury modelling and no analysis was brought to the parliament so that the parliament and the public could understand the government’s motivation. We know it is a stimulus package, but what is the Treasury modelling with regard to its reach, its targets and its aims? Surely the government want to know that themselves, and we have a right to know. We have a right to question, when they are spending over half of the surplus, whether they have not just written a cheque without analysing its effect. That was my point when I said—and I will look at the Hansard to see if I did indeed use the words—’throwing the money’, because the government irresponsibly, recklessly, put half the surplus out into the system without really knowing.

Any previous government—the Hawke-Keating government, the Howard government—would have and did, whenever they spent that sort of money, put it through the Treasury modelling. But this government did not. That is the point I was making. I was utterly misrepresented by Senator Sherry, conveniently for him, just to make up his argument that this side of the house in fact had no care for the pensioners, when he knows the truth, he knows we put the political pressure on the government and they—sensibly, wisely—succumbed and increased pensioner payments.

The second misrepresentation by Senator Sherry was in his rather limp defence of Mr Swan, the Treasurer. I suspect Senator Sherry has his own opinion of the abilities of the Treasurer, but nevertheless he misrepresented my comments when I said that the Treasurer had callously made that comment to those in the non-bank sector who had been affected by the bank guarantee when their funds had been frozen. The
Treasurer, I believe callously, said, ‘They should just all go down to Centrelink.’ They were the people I was referring to: those that had had their accounts frozen—stunningly; it has never been known in this country before. Their property, their right, their savings, were frozen in this country. I never thought I would see the day in this country when over 200,000 people, as I believe it was, would have that happen to them.

Those people would not only be shocked but be financially hurting. All the Treasurer could say was, ‘Go down to Centrelink,’ a rather insulting comment for a situation caused purely by a government decision. This was not an effect of the global crisis; this was an error situation caused purely by a government decision. This was the comment of the Treasurer. It is infamous, it will be remembered. Senator Sherry tried to dress it up in another way. It is notorious, and it will be remembered. Senator Sherry at some point came in and apologises for his utter misrepresentation.

Senate adjourned at 10.14 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

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


Airspace Act—Airspace Regulations—Instruments Nos CASA OAR—

171/08—Determination of airspace and controlled aerodromes etc [F2008L04343]*.

173/08—Determination of conditions for use of air routes [F2008L04342]*.


Civil Aviation Act—

Civil Aviation Regulations—Instruments Nos—

CASA 562/08—Instructions – minimum runway width for aeroplanes [F2008L04177]*.

CASA 608/08—Instructions – use of Global Positioning System (GPS) [F2008L04327]*.

Civil Aviation Safety Regulations—

Airworthiness Directives—Part 105—

AD/A330/95—Air Data Inertial Reference Unit Operational Procedure [F2008L04378]*.

AD/B737/249 Amtd 1—Forward Lower Lobe Fuselage Skin [F2008L04311]*.

AD/B737/316 Amtd 1—Floor Beam Web [F2008L04317]*.

AD/B737/347—Centre Wing Tank Autoshut-off Wiring [F2008L04376]*.

AD/B767/157 Amtd 1—Slat Track Housing Drain Tube [F2008L04375]*.

AD/CL-600/83 Amtd 1—Wing Anti-Ice Ducts [F2008L04313]*.


AD/PA-25/7—Main Undercarriage Safety Cable—Installation [F2008L04078]*.

AD/PA-25/8—Improved Protection from Crash Fires [F2008L04079]*.

AD/PA-25/9—Sealing of Rear Fuel Tank Bay [F2008L04080]*.

AD/PA-25/14—Fire Protection—Modification—Relocation of Primer Line [F2008L04116]*.

AD/PA-25/22—Fuel Tank Vent System—Modification [F2008L04117]*.

AD/PA-25/23—Fuel Tank Placard—Modification [F2008L04118]*.

Instruments No. CASA EX75/08—Exemption—take-off weight limitations [F2008L04282]*.

Manual of Standards Part 172 Amendment (No. 1) 2008 [F2008L04329]*.

Commissioner of Taxation—Public Rulings—

Class Rulings—


Commonwealth Authorities and Companies Act—


Film Finance Corporation Australia Limited.

Corporations Act—ASIC Class Order [CO 08/824] [F2008L04330]*.

Customs Act—

Tariff Concession Orders—

0802659 [F2008L03877]*.

0803005 [F2008L03859]*.

0804739 [F2008L03876]*.

0810493 [F2008L03880]*.

0811231 [F2008L03889]*.

0811232 [F2008L03879]*.

0811281 [F2008L03875]*.

0811332 [F2008L04252]*.

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Tariff Concession Revocation Instruments—

70/2008 [F2008L03846]*.
71/2008 [F2008L03847]*.
72/2008 [F2008L03848]*.
73/2008 [F2008L03849]*.
74/2008 [F2008L03850]*.
75/2008 [F2008L03851]*.
76/2008 [F2008L03852]*.

Defence Act—Determination under section 58B—
Defence Determination 2008/59—Post indexes — amendment.

Environment Protection and Biodiversity Conservation Act—

Amendments of lists of exempt native specimens—
EPBC303DC/SFS/2008/31 [F2008L04363]*.
EPBC303DC/SFS/2008/33 [F2008L04312]*.
EPBC303DC/SFS/2008/36 [F2008L04364]*.

Conservation themes for prioritising nominations for listing threatened species, threatened ecological communities and key threatening processes for the assessment period commencing 1 October 2009, dated 10 November 2008 [F2008L04328]*.


Financial Management and Accountability Act—
Determination 2008/68—Section 32 (Transfer of Functions from DIISR to Austrade) [F2008L04323]*.

Health Insurance Act—

Health Insurance (Positron Emission Tomography) Determination 2008 (No. 2) [F2008L04320]*.

Health Insurance (Positron Emission Tomography) Facilities Determination 2008 [F2008L04319]*.

Migration Act—Migration Agents Regulations—
MARA Notice MN46-08c of 2008—Migration Agents (Continuing Professional Development—Attendance at a seminar, workshop, conference or lecture) [F2008L04315]*.

National Health Act—Instruments Nos PB—

110 of 2008—Amendment determination – responsible persons [F2008L04302]*.
111 of 2008—Amendment determination – conditions [F2008L04303]*.
112 of 2008—Amendment determination – exempt items [F2008L04304]*.

Private Health Insurance Act—Private Health Insurance (Health Benefits Fund Administration) Amendment Rules 2008 (No. 2) [F2008L04308]*.

Social Security Act—

Social Security (Australian Government Disaster Recovery Payment) Determination 2008 (No. 3) [F2008L04358]*.

Social Security (Deeming Threshold Rates) (DEEWR) Determination 2008 (No. 2) [F2008L04318]*.
Social Security (Deeming Threshold Rates) (FaHCSIA) Determination 2008 (No. 2) [F2008L04316]*.

Social Security (Administration) Act—

Social Security (Administration) (Declared child protection State or Territory —Western Australia) Determination 2008 [F2008L04352]*.

Social Security (Administration) (Declared relevant Northern Territory areas —Various (No. 34)) Determination 2008 [F2008L04310]*.

Social Security (Administration) (Declared relevant Northern Territory areas —Various (No. 35)) Determination 2008 [F2008L04344]*.

Social Security (Administration) (Declared voluntary income management areas —Western Australia (No. 1)) Determination 2008 [F2008L04351]*.


Social Security (Administration) (Deductible portion —section 123XPA) Specification 2008 [F2008L04350]*.

Student Assistance Act—Student Assistance (Educations Institutions and Courses) Determination 2008 (No. 1) [F2008L04305]*.

Therapeutic Goods Act—

Medical Device Standards Order (Standards for Natural Latex Rubber Condoms) 2008 [F2008L04335]*.

Medical Device Standards Order (Standards for Medical Devices required to be sterile) 2008 [F2008L04336]*.

Therapeutic Goods (Emergency) Exemption 2008 (No. 4) [F2008L04340]*.

* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Prime Minister and Cabinet: Carbon Offsets for Air Travel
(Question No. 579)

Senator Minchin asked the Minister representing the Prime Minister, upon notice, on 25 August 2008:

As at 26 November 2007, with reference to the department and all agencies in the Minister’s portfolio:

(1) What are the department’s guidelines on the purchasing of carbon offsets for air travel.
(2) In 2008, how many flights undertaken by departmental officials were carbon offsets purchased, and of these, how many were purchased for: (a) business class fares; and (b) economy class fares.
(3) In the 2007-08 financial year, what was the additional cost to the department of purchasing carbon offsets for travel.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised that:

(1) The Department of the Prime Minister and Cabinet has no current guidelines on the purchasing of carbon offsets for air travel.
(2) Nil.
(3) Not applicable.

Climate Change: Carbon Offsets for Air Travel
(Question No. 595)

Senator Minchin asked the Minister for Climate Change and Water, upon notice, on 25 August 2008:

(1) What are the department’s guidelines on the purchasing of carbon offsets for air travel.
(2) In 2008, how many flights undertaken by departmental officials were carbon offsets purchased, and of these, how many were purchased for: (a) business class fares; and (b) economy class fares.
(3) In the 2007-08 financial year, what was the additional cost to the department of purchasing carbon offsets for travel.

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

(1) The Department of Climate Change does not have a formal policy regarding the purchase of carbon offsets for air travel. Currently the Department does not purchase carbon offsets for air travel.
(2) The Department has not purchased carbon offsets for air travel by departmental officials in 2008.
(3) Nil.

Environment, Water, Heritage and the Arts: Carbon Offsets for Air Travel
(Question No. 596)

Senator Minchin asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 25 August 2008:

(1) What are the department’s guidelines on the purchasing of carbon offsets for air travel.
(2) In 2008, how many flights undertaken by departmental officials were carbon offsets purchased, and of these, how many were purchased for: (a) business class fares; and (b) economy class fares.
(3) In the 2007-08 financial year, what was the additional cost to the department of purchasing carbon offsets for travel.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) The Department of the Environment, Water, Heritage and the Arts does not have guidelines on the purchasing of carbon offsets for air travel.
(2) Neither the department, nor its contracted travel management services provider, have the data requested.
(3) Neither the department, nor its contracted travel management services provider, have the data requested.
Rudd Government: Ministerial Staff
(Question No. 745)

Senator Ronaldson asked the Special Minister of State, upon notice, on 25 September 2008:

1. (a) How many ministerial staff does the Government currently employ; and (b) how many are employed under the Members of Parliament (Staff) Act 1984 (the MoPS Act).

2. What is the breakdown of the different classifications in the ministerial staffing positions, for example, senior adviser, adviser and Chief of Staff.

3. Are all government MoPS Act positions located in ministerial offices; if not, where are these positions within the government or bureaucracy.

4. How many Departmental Liaison Officer’s (DLOs) are working in ministerial offices, including those of parliamentary secretaries, on: (a) a temporary basis; and (b) a permanent basis.

5. How many departmental staff other than DLOs are working in ministerial offices, including those of parliamentary secretaries, on: (a) a temporary basis; and (b) a permanent basis.

6. How many consultants are employed in ministerial offices, including those of parliamentary secretaries, on: (a) a short term (contract less than 6 months) basis; and (b) a long term (contract more than 6 months) basis.

7. Are there any staff working in ministerial offices who are not employed under the MoPS Act or by a government department; if so: (a) how many are there; and (b) under what agreement are they employed.

8. How many government ministerial staff, including the staff of parliamentary secretaries, are based in Canberra.

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

1. (a) As at 25 September 2008, 195 electorate employees and 319 personal employees.

(b) As per (a) above.

2. Table:

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<tr>
<td>Senior Adviser</td>
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<tr>
<td>Media Adviser</td>
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<tr>
<td>Adviser</td>
<td>84</td>
</tr>
<tr>
<td>Assistant Adviser</td>
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<tr>
<td>Executive Assistant/Office Manager</td>
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<tr>
<td>Secretary/Administrative Assistant</td>
<td>37</td>
</tr>
<tr>
<td>Unallocated Pool</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>334</td>
</tr>
</tbody>
</table>

3. Personal employees may be based at the Minister’s Canberra office, or at the Minister’s home capital city or electorate office. The Special Minister of State has the discretion to approve a non-standard home base for employees in exceptional circumstances. The following non-standard home bases have been approved:

<table>
<thead>
<tr>
<th>Office</th>
<th>Location</th>
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<tbody>
<tr>
<td>Prime Minister</td>
<td>2 x Sydney</td>
</tr>
<tr>
<td>Deputy Prime Minister</td>
<td>1 x Sydney</td>
</tr>
<tr>
<td>Minister for Trade</td>
<td>1 x Brisbane</td>
</tr>
<tr>
<td>Minister for Families, Community Services and Indigenous Affairs</td>
<td>1 x Hobart</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>1 x Melbourne</td>
</tr>
<tr>
<td>Minister for Resources and Energy</td>
<td>1 x Brisbane</td>
</tr>
<tr>
<td>Minister for Small Business, Independent Contractors and the Service Economy</td>
<td>1 x Sydney</td>
</tr>
<tr>
<td>Caucus Committees Support and Training Unit</td>
<td>1 x Wollongong</td>
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<tr>
<td></td>
<td>1 x Melbourne</td>
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<tr>
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<td>1 x Adelaide</td>
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4. & (5) Please refer to the individual responses by all Ministers to Questions on Notice Nos: 615 to 650, asked by Senator the Hon Nick Minchin, on 25 August 2008.
(6) (a) Nil.
     (b) Nil.

(7) The Department of Finance and Deregulation is unable to answer this question.

(8) As at 25 September 2008, 12 electorate employees and 221 personal employees are based in Canberra.

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1 Ministerial staff includes personal and electorate employees employed by Ministers and Parliamentary Secretaries who are held against an established position.

**Bargo State Conservation Area**

(Question No. 756)

Senator Bob Brown asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 17 October 2008:

(1) Was the Minister informed about the approval given by the New South Wales Minister for Planning, the Honourable Kristina Keneally, on 15 October 2008, for the rezoning in the Bargo State Conservation Area for the purposes of the Southern Highlands Regional Shooting Complex; if so, is the Minister aware of the study conducted by Dr Stephen Ambrose that found that this proposed action would adversely impact upon the habitat of the yellow-bellied glider.

(2) As this study finds that the action could impact on a nationally-threatened species, has the proposed action been referred to the Minister for assessment under the Environment Protection and Biodiversity Conservation Act 1999.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) I was not personally aware of this matter. However, decisions made by a State to grant a governmental authorisation (however described) including the rezoning referred to above, are not defined as actions under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) and so are not within my jurisdiction to review.

(2) I am advised that my Department looked into the separate proposal to extend the Shooting Complex in September 2007 and provided advice to the proponent about its obligations under the EPBC Act. I am advised that the proponent has indicated an intention to refer that proposal to me for consideration under the EPBC Act in due course.