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SITTING DAYS—2009

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RADIO BROADCASTS
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- PERTH      585AM
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FORTY-SECOND PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

Senate Officeholders

President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson
Temporary Chairs of Committees—Senators Guy Barnett, Thomas Mark Bishop, Carol Louise Brown, Patricia Margaret Crossin, Michael George Forshaw, Gary John Joseph Humphries, Annette Kay Hurley, Stephen Patrick Hutchins, Gavin Mark Marshall, Claire Mary Moore, Stephen Shane Parry, Hon. Judith Mary Troeth and Russell Brunell Trood

Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz

Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Hon. Helen Lloyd Coonan

Senate Party Leaders and Whips

Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Leader of the Liberal Party of Australia—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Leader of the Nationals—Senator Barnaby Thomas Gerard Joyce
Deputy Leader of the Nationals—Senator Fiona Nash
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

Chief Government Whip—Senator Kerry Williams Kelso O’Brien
Deputy Government Whips—Senators Donald Edward Farrell and Anne McEwen
Chief Opposition Whip—Senator Stephen Shane Parry
Deputy Opposition Whips—Senator Judith Anne Adams and David Christopher Bushby

The Nationals Whip—Senator John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert
Family First Party Whip—Senator Steve Fielding

Printed by authority of the Senate
## Members of the Senate

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

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

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

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<tr>
<td>Prime Minister</td>
<td>Hon. Kevin Rudd, MP</td>
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<tr>
<td>Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion</td>
<td>Hon. Julia Gillard, MP</td>
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<tr>
<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<td>Minister for Immigration and Citizenship and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<td>Special Minister of State, Cabinet Secretary and Vice President of the Executive Council</td>
<td>Senator Hon. John Faulkner</td>
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<td>Hon. Lindsay Tanner MP</td>
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<td>Hon. Simon Crean MP</td>
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<td>Hon. Stephen Smith MP</td>
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<td>Minister for Defence</td>
<td>Hon. Joel Fitzgibbon MP</td>
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<tr>
<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
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<td>Minister for the Environment, Heritage and the Arts</td>
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<td>Hon. Robert McClelland MP</td>
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<td>Hon. Tony Burke MP</td>
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<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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[The above ministers constitute the cabinet]
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<tr>
<td>Minister for Home Affairs</td>
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<tr>
<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
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<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Minister for Employment Participation</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Hon. Maxine McKew MP</td>
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<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Anthony Byrne MP</td>
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<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
<td>Senator Hon. Ursula Stephens</td>
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<td>Parliamentary Secretary to the Minister for Trade</td>
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<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
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<tr>
<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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SHADOW MINISTRY

Leader of the Opposition
The Hon Malcolm Turnbull MP

Shadow Treasurer and Deputy Leader of the Opposition
The Hon Julie Bishop MP

Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals
The Hon Warren Truss MP

Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate
Senator the Hon Nick Minchin

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

Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design
The Hon Andrew Robb AO, MP

Shadow Minister for Foreign Affairs and Manager of Opposition Business in the Senate
Senator the Hon Helen Coonan

Shadow Minister for Finance, Competition Policy and Deregulation and Manager of Opposition Business in the House
The Hon Joe Hockey MP

Shadow Minister for Energy and Resources
The Hon Ian Macfarlane MP

Shadow Minister for Families, Housing, Community Services and Indigenous Affairs
The Hon Tony Abbott MP

Shadow Special Minister of State and Shadow Cabinet Secretary
Senator the Hon Michael Ronaldson

Shadow Minister for Human Services and Deputy Leader of The Nationals
Senator the Hon Nigel Scullion

Shadow Minister for Climate Change, Environment and Water
The Hon Greg Hunt MP

Shadow Minister for Health and Ageing
The Hon Peter Dutton MP

Shadow Minister for Defence
Senator the Hon David Johnston

Shadow Minister for Education, Apprenticeships and Training
The Hon Christopher Pyne MP

Shadow Attorney-General
Senator the Hon George Brandis SC

Shadow Minister for Agriculture, Fisheries and Forestry
The Hon John Cobb MP

Shadow Minister for Employment and Workplace Relations
Mr Michael Keenan MP

Shadow Minister for Immigration and Citizenship
The Hon Dr Sharman Stone

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

[The above constitute the shadow cabinet]
<table>
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<td>Shadow Minister for Financial Services, Superannuation and Corporate Law</td>
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<tr>
<td>Shadow Assistant Treasurer</td>
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<td>The Hon Bruce Billson MP</td>
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<td>Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House</td>
<td>Mr Luke Hartsuyker MP</td>
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Thursday, 5 February 2009

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

NOTICES
Presentation

Senator Hanson-Young to move on the next day of sitting:
That the Senate—
(a) notes:
(i) the recent decision by the President of the United States of America, Barack Obama, to overturn the global gag rule for family planning guidelines that effectively prohibits the use of aid funding for some contraceptives, and for abortion advice and services, and
(ii) that Australia is now the only country that continues to enforce these harsh restrictions on our aid program, limiting its ability to provide an effective and essential family planning service;
(b) recognises:
(i) the essential role mothers play in developing communities, with both maternal and child health considered crucial Millennium Development Goals, and
(ii) that an estimated 34,000 mothers die in our region each year, due to the lack of maternal health supports available, with more than half of the 29 developing countries not on track to achieve either goal; and
(c) supports calls on the Rudd Government to stand up for women’s rights and immediately abolish the family planning guidelines that prevent Australian aid money from being spent on contraception and family planning advice.

Senators Bob Brown to move on the next day of sitting:
That the Senate—
(a) expresses its concern about the high number of civilian deaths and injuries that have occurred as a result of people being caught in the crossfire of Sri Lanka’s civil war;
(b) supports calls on the Sri Lankan Government from the United Nations, the Red Cross and Amnesty International to ensure the safety of civilians in war-torn areas and their safe passage out of those areas; and
(c) supports calls on the Sri Lankan Government to lift bans on journalists and aid workers entering war zones.

LEAVE OF ABSENCE

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.31 am)—by leave—I move:
That leave of absence be granted to Senator Siewert from 5 February to 9 February 2009, for personal reasons.

Question agreed to.

COMMITTEES

Selection of Bills Committee Report

Senator O’BRIEN (Tasmania) (9.31 am)—I present the first report for 2009 of the Selection of Bills Committee. I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 1 OF 2009

1 The committee met in private session on Wednesday, 4 February 2009 at 7.12 pm.

2 The committee considered a proposal to refer the provisions of the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and the Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009 to the Economics Committee, but was unable to reach agreement on whether the bills should be
The committee deferred consideration of the following bills to its next meeting:
The Commonwealth Inscribed Stock Amendment Bill 2009
Household Stimulus Package Bill 2009
Resale Royalty Right for Visual Artists Bill 2008
Tax Bonus for Working Australians Bill 2009
Tax Bonus for Working Australians (Consequential Amendments) Bill 2009.

Kerry O'Brien
Chair
5 February 2009

APPENDIX 1

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee

Name of bills:
Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009
Appropriation (Nation Building and Jobs) Bill (No.2) 2008-2009

Reasons for referral/principal issues for consideration:
Give consideration to the provision of the bills that will deliver the Prime Ministers Nation Building Package.

Possible submissions or evidence from:
Committee to which bill is to be referred: Economics Legislation Committee

Possible hearing date(s): Friday 6 February 2009

Possible reporting date: Monday 9 February (signed)

Whip/Selection of Bills Committee member

BUSINESS

Rearrangement

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (9.32 am)—by leave—At the request of Senator Ludwig, I move:

That, on Thursday, 5 February 2009:
(a) the hours of meeting shall be 9.30 am to 6.30 pm and 7 pm to adjournment;
(b) consideration of general business and consideration of committee reports, government responses and Auditor-General's reports under standing order 62(1) and (2) shall not be proceeded with;
(c) the routine of business from 12.45 pm till not later than 2 pm, and from not later than 4.30 pm shall be government business only;
(d) divisions may take place after 4.30 pm;
(e) the question for the adjournment of the Senate shall be proposed after the Senate has finally considered the bills listed below, including any messages from the House of Representatives:
Tax Bonus for Working Australians Bill 2009
Tax Bonus for Working Australians (Consequential Amendments) Bill 2009
Household Stimulus Package Bill 2009
Commonwealth Inscribed Stock Amendment Bill 2009; and
(f) if the Senate is sitting at midnight, the sitting of the Senate be suspended till 9 am on Friday, 6 February 2009.

I thank the Senate for its cooperation in bringing this debate on and not unduly delaying the Senate on procedural matters. In the government’s view there is an urgent need for action to stimulate the Australian economy. We have seen three times in recent months the International Monetary Fund revise down their projections for world growth and economic activity. Around the world, world leaders have agreed that governments need to take strong and decisive action to stimulate their economies and prevent the world falling into a deep recession. Projections are that this might be the most serious financial crisis confronting the world since the recession of the 1930s.
This is a very serious problem. I think some in Australia do not understand that because, quite frankly, the worst aspects of this have not yet hit us. They are only just starting to bite. Up until a few weeks ago I was much more optimistic, but then I saw redundancies starting to occur and the impact already being felt by Australian families. In my own state of Western Australia BHP closed the Ravensthorpe development, which threw hundreds of people out of work and basically destroyed the town, as they decided they could not continue with that mining activity.

These are serious issues for Australians but they are immediate issues. This is not some sort of academic debate about debt and macrofinancial issues, although those issues are also part of the debate. This is a debate about how many Australians will lose their jobs. That is what we are debating today. The revised economic forecast provided through Treasury indicates that unemployment will rise to seven per cent. I am sure that is of deep concern to all Australians and all members of the Senate. Based on Treasury advice, the government is saying that unless we act now those projections may be considered modest and we may actually see an even greater impact on the Australian economy.

It is clear that we need strong and decisive action now. The government would be remiss and failing in our duties if we did not act. So we have sought to act. We tried to get ahead of the curve with the economic package we brought in last December. Despite the commentary from those opposite, it did work. It had an affect that stimulated the economy, encouraged people to spend and encouraged people to support economic activity. That saw jobs saved and businesses maintained.

Senator Cormann—How many jobs?

Senator CHRIS EVANS—The senator interjects: how many jobs? This is serious, Senator; this is dead serious. I expect you to take your responsibilities seriously. If you think that people in Australia are going to be sitting down today—

Honourable senators interjecting—

The PRESIDENT—Order! Comments should be addressed to the chair and there should be no interjections.

Senator CHRIS EVANS—The opposition wants to have some sort of arcane argument about whether the package created 45,000 jobs or 50,000 jobs. Australians know that there are deeply frightening economic times confronting them and that their jobs are at risk, their financial security is at risk and their small businesses are at risk. They want the government they elected to act. That is what we want to do. We are asking the Senate to respect the votes of the Australian people and allow the government to act.

What we have seen in recent days is a debate in this parliament as to process, as if we have got time to spend a lot of time arguing about how we might handle it. I am sure Australians who got up this morning and looked at what occurred in the House of Representatives last night would have been absolutely distressed to see what were hairy-chested arguments—arguments while Rome burns, if you like—about minutiae when what we need is leadership. The government are trying to provide leadership. We are trying to get support across the board to provide an economic stimulus to protect jobs—

Senator Ian Macdonald—You are so arrogant. It’s unbelievable.

Senator CHRIS EVANS—To protect jobs, Senator Macdonald. We actually think that is important. In order to give effect to the package, I met with Senate leaders and whips yesterday to try and get their support for a process that would allow the Senate to
deal quickly with these bills, for two reasons. The first is to provide economic confidence in Australia, to provide certainty to Australians that we are going to implement the package and to provide confidence that there will be money flowing into the economy, that there will be money flowing to small business and that infrastructure projects will go ahead. Then businesses can plan on the basis of that stimulus package. I deliberately encouraged those Senate leaders to find the right balance between the absolute need for Senate scrutiny, which I support, and the need for the government to get its legislation passed—

Senator Ian Macdonald—What a joke!

Senator CHRIS EVANS—Senator, you were not at the meeting, but ask Senator Minchin what I proposed. The government said we would meet Thursday and Friday to deal with those bills that contained immediate payments to families—to fast-track those bills—and we would take up the opposition’s very constructive suggestion to move estimates and meet next week to debate those bills that go to infrastructure and the more complex matters of policy. We took up that offer. We said we would sit Thursday night, Friday, Saturday—whatever it took. Why? We said that because we want to make sure that we do not miss the proposed dates to get those payments to families—to get that money into their hands—to support them and to support the economy. That is the only reason we sought to ask you to sit—to give up another day or so to stay here, debate and scrutinise those bills and to give us the chance to make sure we met the timetable to put that money into families’ hands, to provide the stimulus in March for the economy and to allow you the whole of next week to examine the legislation.

I also indicated that we would support a Senate inquiry, that we would make that happen as well, because that is not an unreasonable request. But we have to balance the need for scrutiny, the need for parliamentarians to examine the detail and be informed, with the urgency of the government to act. We have to find the balance. We offered that balance and the Liberal Party scoffed. Senator Coonan scoffed. They were not interested. They said: ‘We’ve got plenty of time. Don’t worry about families getting the money. It’ll all be okay.’ We do not accept that. We actually say it is urgent.

Opposition senators interjecting—

The PRESIDENT—Order! Constant interjection is disorderly. You will have a chance to participate in the debate as long as the debate continues.

Senator Ian Macdonald—So tell us what—

The PRESIDENT—Senator Macdonald!

Senator CHRIS EVANS—The government says this is urgent. The reason we asked for those bills to be passed is concern—that is, serious concern and advice to us—that we might not be able to make the payment dates we have set. That is the advice I have received and that is the proposition I put to the Liberal Party and the minor parties. I said we would deal with the matters that are absolutely urgent. We will sit Thursday night, we will sit Friday and we will sit Saturday if you want to give certainty.

Senator Ian Macdonald—What a joke! So what difference is two days going to make?

Senator CHRIS EVANS—Two days, Senator. I am prepared to stay for the two days. You want to go home for the weekend. You want to go to the beach.

The PRESIDENT—Order! Senator Evans, your comments should be directed to the chair.
Senator CHRIS EVANS—We want to do the work; you want to go home and have your weekend off. We actually say this is urgent. We actually say it is important. We say, ‘Let’s deal with what is important, let’s deal with what is urgent now and for the bills that are less urgent—while they have high priority and we absolutely need to get them through next week—let’s take up the offer and deal with those next week.’ We want to make sure the Senate gets the chance to scrutinise those bills—we are happy to cooperate—but, regarding the bills that relate to payments for families, we need them ASAP. We want you to deal with those bills. We have to get right the balance between scrutiny and the urgency of the situation.

I sought the cooperation of the coalition and I did not get it. I got scoffed at. They said: ‘It doesn’t matter. We’ve got plenty of time. Don’t worry about it. Don’t worry about trying to get payments to families to support the economy. Don’t worry about trying to allow small business the opportunity to survive. We don’t care about jobs. There’s not really a problem.’ We say there is a problem, we say there is urgency and we would like you to reconsider. In this debate we want you to come to a position which says: ‘We will allow the parliament to sit as long as it takes to pass the bills that are urgent. We will come back next week, we will have the Senate inquiry and we will deal with those more complex bills then.’ That is what we would like. We are happy to have the scrutiny, we are happy to give you the time, but we would also like you to work Friday and maybe Saturday.

Senator Ian Macdonald—All right, let’s do it. Let’s have a full debate. You don’t want scrutiny.

Senator CHRIS EVANS—And if that is too much—

Senator Ian Macdonald—Let’s do it. All right, that’s good.

Senator CHRIS EVANS—Well, you’re opposing it, Senator.

Senator Ian Macdonald—Let’s do it and sit all next week.

Senator CHRIS EVANS—The motion is there—vote for it. Vote for it! But, no, you want a long weekend. You want the long weekend!

Senator Ian Macdonald interjecting—

Senator CHRIS EVANS—Quite frankly, we think it is more important. We think you ought to be more constructive, Senator.

Senator Ian Macdonald interjecting—

The PRESIDENT—Order! Withdraw that!

Senator Ian Macdonald—What? That he’s dishonest? He is saying that I want a long weekend. That is dishonest.

The PRESIDENT—I have just asked you to withdraw that.

Senator Ian Macdonald—What? That he’s dishonest? He is saying that I want a long weekend. That is dishonest.

The PRESIDENT—I have just asked you to withdraw that.

Senator Ian Macdonald—But—

The PRESIDENT—Senator Macdonald, I am not going to argue. I have asked you to withdraw.

Senator Ian Macdonald—Mr President, I withdraw. Can I seek leave to answer a representation made that I want a long weekend? That is clearly dishonest. I seek leave to respond to that dishonest accusation by the Leader of the Government in the Senate.

The PRESIDENT—Senator Macdonald, I have had to call you to order on a number of occasions. You are entitled to speak in the debate, as I have pointed out. I have asked you to withdraw a comment that is unparliamentary—

Senator Ian Macdonald—Which I have done.
The PRESIDENT—which you have done. You still have the right to participate in the debate.

Senator Ian Macdonald—And I have sought leave, Mr President.

The PRESIDENT—A speaker is in the process of speaking. You then have the right, as a member of the Senate, to participate in the debate and answer any claims or any matters that are raised in the debate. I would think that is the proper course of action for you to proceed down.

Senator Ian Macdonald—In the meantime, Mr President, I have to put up with this joker saying something dishonest, that I want a long weekend.

The PRESIDENT—No, I am not saying that to you at all. I am saying that there is a proper course of action, in the process of this debate, to pursue through the chamber.

Senator Ian Macdonald—Mr President, can I ask him to withdraw the accusation that I do not want to sit and I want a long weekend? Can I ask him to withdraw that imputation against me as a member of this Senate?

The PRESIDENT—Senator Macdonald, you will have your chance to participate in the debate, and I can now see that this is going to be a fairly lengthy debate. You will have your chance to participate in the debate as every other senator in this place will.

Senator Ian Macdonald—Mr President, on a point of order: I ask that you ask the Leader of the Government in the Senate to withdraw the imputation made not only against me personally but, by implication, against everyone on this side of the chamber. I ask that you ask him to withdraw.

The PRESIDENT—I did not take the comment that was made as being unparliamentary. I do not think that has been ruled so in the past. I think that is something that you can quite rightly correct in the debate itself.

Senator Ronaldson—Mr President, on the point of order: it is traditional in this chamber that, if a member feels aggrieved about a comment made by another member, that member will withdraw it if the request has been made by a particular senator. There has not been any debate at all about whether it is fair, unfair, reasonable or unreasonable. Senator Macdonald has made a quite reasonable request to another senator in this chamber to withdraw a comment that he found to be a personal attack on him. If we are going to have a proper debate this morning, then surely appropriate rules should apply. Senator Macdonald feels aggrieved by the comment from Senator Evans and traditionally in this chamber that would be withdrawn.

Senator Ludwig—Mr President, on the point of order: I would not ordinarily engage on a point of order while a speaker is currently before you, but in this instance the contribution by the senator is wrong. The chair—not the opposition and not during the point of order—determines the point of order. The submission simply made just then is completely wrong. I would ask him to reflect upon what he said because it is wrong in terms of the procedures of this place.

The PRESIDENT—I have made it clear—and I do hear what you have said, Senator Ronaldson, and I have on other occasions intervened—that I do not believe that this is unparliamentary. I believe it is a debating point. I believe that if Senator Macdonald and others wish to correct the record, as they are entitled to, or change the record or give their view of the record then that can be done as part of the debating process. If I felt that it was in any way reflecting badly on an individual person’s propriety or integrity, then I would ask for that to be withdrawn. I do not believe that this has happened in this case.
I understand that the debate is going to be a fairly lively debate. I have worked that out already from the interjections from both sides and I understand that there will be robust debate in this place from time to time. But I will always apply fairness to both sides. I will not be partial in the way in which I treat either side. I will pull up the debate where there has been a transgression in the standards that have previously applied in this place. If I think that there is a direct reflection or imputation on the character of an individual in this place then, regardless of what side of politics they are on, I will defend them. I believe that if this debate is to proceed—and whilst there will be some fire in the belly, as I would call it, in the debate—I will expect people to not reflect badly on anyone in this chamber no matter what side they are on. I will ask Senator Evans to continue and those who want to participate in the debate can do so at the appropriate time.

Senator CHRIS EVANS—I think those listening to the debate will be appalled that that is the level of response we are getting from the opposition. We put a reasonable and balanced proposition, and it was scoffed at. We said we would sit as long as it took and allow as much scrutiny in the parliament—not in a committee but in the parliament—as was required to deal with those bills. We said we would sit Friday and Saturday to get those bills through so that we could meet the deadline to ensure those payments went out in March, as required. On the basis of our advice, the longer we wait the more risk there is to that. Senator Ludwig, the Minister for Human Services, will take you through what that means.

We put that in all fairness, we have been very open about it, and what we got was an opposition which said: ‘No, don’t worry about it. It can all wait. There’s no sense of urgency here. We can sit down; we can chat about it for weeks. There is no urgency.’ Well, those people getting redundancy notices have a different view. Those small businesses hanging on by the skin of their teeth have a different view. Those self-funded retirees who are waiting to see some certainty return to markets to protect their investments think it is urgent, think it is important and want the government to provide leadership. We would like the parliament to provide scrutiny but also allow the government to act—that is, allow the elected government to respond to a crisis. All we say is this. By all means have scrutiny, but do not delay to the point that you undermine the government’s capacity to act, undermine the government’s capacity to protect jobs—

Senator Ian Macdonald—So two days is going to make a difference?

Senator CHRIS EVANS—Two days makes a lot of difference, Senator, if your job is at risk. If your job is at risk, it does make a lot of difference. If you look at the emails I am getting from small business, that is what they are saying. The opposition have taken a very political position on this. They have invested in the idea that the long-term argument about debt will work for them. What we say is this. Act responsibly and act as an alternative government. Do not get yourself into the sort of mess you got yourself into last year. Do not pretend you are a government waiting to return; act as an alternative government. Allow the government to get on and do its job.

I think when the Liberal Party take their weekend and go home and talk to some real people they will actually get a very different view of this. Go out—go down to the beach, go down to the cricket, go down to the parks—and talk to real people. Talk to real people who work in retail and who know the bonus that was paid last year saved their jobs. Talk to real people who think that the
payment of the back-to-school bonus will actually help them make ends meet and help them continue to contribute to the economy.

Talk to the small business people who know that the investment assistance will allow them to grow their business, maintain their business and provide jobs. Talk to real people. We often get isolated here, senators—we all do. We all go along to party meetings and convince ourselves how right we are. But go out and talk to real people. That is not their perspective. They want to know why the government is not acting.

I urge Senator Fielding—and I see he is in the chamber—to walk away from the deal he has done with Senator Minchin, to not be a patsy for the Liberal Party, to actually think about what he is doing. Senator Fielding claims to represent families and small business in this chamber. I ask him—

Senator Ian Macdonald—Mr President, I rise on a point of order. Is it appropriate for the Leader of the Government in the Senate to call the Leader of Family First a ‘patsy’?

Senator Chris Evans—I said, ‘Don’t be a patsy.’ I did not mean to call him a patsy.

The President—There is no point of order.

Senator CHRIS EVANS—Mr President, rather than delay the Senate, I am happy to withdraw. My understanding of what I said was that I said, ‘Don’t be a patsy.’ Anyway, the record will correct that. The point I want to make is this. What we saw last year is that the Liberal Party on the infrastructure—

Senator Fielding—Mr President, I rise on a point of order. I wonder whether the Leader of the Government in the Senate could repeat what he said and then withdraw, so I can hear it to my face.

The President—Senator Fielding, whatever was said was withdrawn. It is expunged, Senator Fielding, as I understand it.

Senator CHRIS EVANS—Senator Fielding, as I indicated, I said, ‘Don’t be a patsy for the Liberal Party.’ There was an objection raised and I withdrew it. You were closer to me than you are now, but I understand you were distracted. The point I make to the Senate chamber is that I urge Senator Fielding not to support the motion he has put and to actually allow the government to pay families the payments we want to pay them. You claim to represent families, but what you are doing is stopping us making those payments. You are putting at risk those payments. All I ask is that the Parliament of Australia deal with those bills over the next few days. You can have the examination, you can have the debate, but allow us to get those bills.

The irony of this whole debate is that the Liberal Party and the National Party say, ‘We want scrutiny, we want to examine these bills, but we are going to vote against them anyway.’ An uninformed observer might say: ‘What’s the point if they are going to vote against them anyway? What’s their position?’ Their position is firmly decided—that is, ‘Whatever the arguments, whatever the evidence, we are going to vote no, but it is really important that we delay for nine days.’ They want to delay the investment in the economy.

Senator Ian Macdonald—It’s nine days now.

Senator CHRIS EVANS—Well, all you are offering to do is pass them by next Thursday. Sorry; you are offering to defeat them by next Thursday! Your position is: ‘We need to delay till next Thursday to give us a chance to examine the reasons why we are going to try and defeat it.’

I say to the Senate and particularly to Senator Xenophon and Senator Fielding: look in their eyes. When they urge you in this debate to vote down the bills, remember
last December when they ran out for a cup of tea and hid. When the pressure comes on, you will see fear in their eyes. They do not want you to vote down the package. Trust me. They do not want you to vote down the package. Their strategy is to vote no, to be all care and responsibility. But when it comes to the vote, Senator Fielding and Senator Xenophon, if you walk across to join them, they will wet themselves. They will have fear in their eyes. They do not want you to vote the package down. They want to delay; they want to make a political point that they think will serve them in the long term. But if you, Senator Xenophon, or you, Senator Fielding, say you are going to vote for them you will be fascinated by the response. They have taken the position that they are all care and no responsibility—that they can safely say they are going to vote against it in the knowledge that Senator Fielding, Senator Xenophon and the Greens will not do that at the end. It will be interesting to see whether or not, just before the vote, when we eventually get to it, the Liberal and National parties really want you to vote for them. I suggest to you that they are dead scared you might. If you do, you might find Senator Minchin out for a cup of tea and a few of his friends stuck in the toilet, because the last thing they want to do is defeat this package.

This is about vandalism. This is about delaying our responsible plan to assist the economy. But they do not really want it beaten. This is a political point-scoring exercise. I urge the Senate to support the government’s proposition for a change to sitting hours. It will allow the right balance between scrutiny and passage of bills that provide the economic stimulus the country needs. It will ensure we are able to make the payments we want to make to families and that we are able to put in their hands the money that will allow spending and consumption to support jobs. We do not want that put at risk. We are happy for a Senate inquiry, we are happy to take up the option of sitting next week to deal with the other bills. However, I urge you in this debate to think about the bigger picture, to think about what nine days of continued uncertainty will mean for business confidence and about the threat to jobs and the economy if the government’s package is held up and maybe not passed. I urge you to follow a more sensible, balanced view, to support our procedural motion and to give some certainty— (Time expired)

Senator COONAN (New South Wales—Manager of Opposition Business in the Senate) (10.00 am)—That was an extraordinary diatribe from Senator Evans. He put before the Senate a very unconvincing case in relation to changing the sitting hours. It is important that we make very clear here that the coalition does not support the government’s arrogant supposition that the Senate will simply roll over and rubber-stamp a $42 billion spend of taxpayers’ funds virtually sight unseen. That is effectively what we are being asked to do in Senator Evans’s motion. Because of all of the fuss about this, people forget that it has been less than 48 hours since we first heard of this massive cash splash. It is quite extraordinary. The government must have had some notion that they were going to be bringing forward this package. Why was it only announced 48 hours ago? And, at the time it was announced, we were being urged to pass it without even looking critically at what it provided.

One reason why the government fear scrutiny of this package is they do not really know that it will do the job that they contend it will. They do not really know that this will work. In fact, the Prime Minister has said that he cannot guarantee that it will work. I think they fear the quality of what is in this package and they do not want it scrutinised.
We are effectively expected to approve $1 billion in spending for each hour since the bills were introduced. That is what it would amount to. And for those listening to the debate in the Senate, as Senator Evans seems to think people are, just contemplate the fact that we are expected to approve $1 billion in spending for each hour since the bills were introduced to meet this artificial deadline the government set for themselves without any consideration or hesitation. If this was so urgent, one would have thought that before agreeing to a particular date they would have at least considered how they would deal with the proper procedures of the Senate. They might have actually deigned to consult us. But that certainly is not part of Labor’s behaviour pattern. This is a deadline that, quite frankly, screams panic. The government are in panic mode and they have rushed these bills into the parliament with unrealistic time frames for their consideration. I think it really underscores Labor’s contempt for the Senate. It is stark in this respect. They do not want these measures scrutinised; they simply want them passed.

Something was not immediately clear until we eventually got the bills. Included in the bills is a very slim document. It is a bill of two pages, I think, for the borrowing of up to $200 billion. We are expected to blindly approve it. This exhumes the ghost of Rex Connor. This exhumes the ghost of the Khemlani incident of so many years ago. They want us to pass, without any scrutiny whatsoever, a package that will saddle current and future generations of Australians with a crippling debt equivalent to $9,500 for every Australian. The government have simply failed to explain how a couple of extra days, literally, would in fact defeat the objectives of this package. If the Senate does what we have suggested, all it would amount to would be a couple of days delay, and that is not going to be critical. The government have not made the case for why that will be critical, except that they have to crank up the computers at Centrelink and at the tax office. Who is Senator Evans seriously kidding? We have been on the other side of the chamber—we have been in government—and we know the kinds of programs and the kinds of constraints on introducing this kind of package. It is highly unlikely—unless we can be convinced to the contrary, and we cannot—that two days is going to make any critical difference.

In a responsible way, because that is the way we are approaching scrutiny of this package, we have suggested that it is important that we scrutinise these bills and that we scrutinise them as a package. The government have simply failed to explain how a few extra days would in fact impact on it. For example, they have failed to provide the sorts of things that we will want to look at. They have failed to provide any information to back up their claims that this massive level of expenditure will support 90,000 jobs. The splash of cash before Christmas was supposed to create 75,000 jobs—we know that that has not happened; we know that that did not do the job—and now we have heard a few weasel words about how this package will support up to 90,000 jobs. What on earth does that mean? Does it mean 90,000 jobs? Does it mean 50,000 jobs? Or is it simply a stab in the dark? We know that the earlier figure of 75,000 jobs was. We know that there is a massive looming problem with unemployment in this country and we know that before June there will be another 100,000 jobs lost.

The people of Australia deserve a parliament that will hold the government to account for this package. They have simply so far not established the case for it supporting jobs in the order to which they contend. We deserve to see the information to support the claims about this package and any model-
ling—if they have any—that underpins it. It really comes down to this: you really cannot trust the Labor Party. They have consistently shown us in this term of government that they are very light on detail. They do not have any long-term structural plan for the country. There is certainly no legitimate economic analysis underpinning their budget or other proposals. Just look, for example, at the continuing mess that has resulted from the unlimited guarantee on deposit-taking institutions in this country. There may be more than 250,000 Australians whose funds are frozen because they have their deposits in institutions not covered by the unlimited guarantee. This is an example of a panicked response which was not really thought through. The government has since been fixing it up all the way.

We certainly do not want to see this sort of problem with a package of this magnitude. It has a lot of components in it that need to be properly looked at. Senator Evans suggested that we had scoffed at this. That is certainly not the case. We have cooperated and we intend to cooperate further to scrutinise this package. We have indicated that we will cooperate with the government to get this package of bills through the parliament next week. That is a very clear statement that we are cooperating in the scrutiny of this package, and it should be brought to a vote by the end of next week. In fact, we came forward and suggested deferring estimates next week to allow the Senate to sit to pass this economic package. That was a responsible course. It is one that seems to have found favour with colleagues in the Senate and with the Labor Party. We think that is a very sensible way to ensure that the urgency contended for this package is addressed and that we can get on with examining it.

We simply cannot accept the demands of the government that we consider just part of the package so soon after its introduction. If this were so important, it could have been looked at perhaps even before parliament came back. But there were a couple of days of extraordinary drama and media performances from the Prime Minister and his economic team. Suddenly, the package was presented and then we were told part of it had to be passed practically yesterday morning. That is not really the way we act, unless a convincing case can be made for the need to separate the package. We believe that there should be at least a minimum level of scrutiny applied to the package and that it must be taken as a whole. It simply makes no sense. If the government has introduced it as a package, it has to be looked at as a package. Their economic story, which we think is incoherent anyway, stands only if it is part of a package. That is why we are proposing that, starting this evening, a Senate committee begin questioning officials about the detail of this package. There needs to be some forensic examination of what has gone into this package, how it is composed and what is contended for it. What are the projections and what is the modelling? If the Senate did not do that, it would simply be derelict in its duty.

Of course, we will cooperate today, as we have done so often this year, to meet the government in the full flight of panic mode by giving up opposition business time this afternoon. We will also cooperate next week to ensure that the package of bills is considered in the time frame that we have proposed. We believe that the bills must be considered as a package and that there should be an opportunity for examination through what will be a brief committee inquiry. When you look at the magnitude of this package, in normal circumstances you would have a much more detailed committee process. Various committees would be involved. We think that we have come forward with a proposal for the consideration of the package in
a committee process that will enable the various strands of the package to be looked at.

Labor really must respect the role of the Senate as a house of scrutiny. It is all too easy as a government to simply try to roll right over the top of the Senate, but there is not much point in us being here if we do not do our job and hold the government to account. We will not be so irresponsible as to approve $42 billion worth of spending without a basic level of scrutiny. The government should not be so arrogant as to ask. We will not be supporting the motion put forward by Senator Evans.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.12 am)—There are, even now, ongoing negotiations among the non-government benches to come to some form of agreement on how we progress with this monumentally important package of legislation from the government. We the Greens take it extremely seriously. We do not like the fact that such a massive amount of money has to be dealt with in such a short period of time. We do not agree with the government that these five bills, which involve $42 billion—ultimately of taxpayers’ money—should be dealt with in this place today or even tomorrow. Therefore, we are in agreement with the opposition that the Senate should fulfil its role as watchdog of the people and extend the period of review of this legislation to next Thursday—a week from today. That will involve some very serious scrutiny by the Senate Standing Committee on Finance and Public Administration. We are also looking to have at least the housing component looked at by a committee to see what the public input on that huge outlay can be and to see if there are improvements or alterations that can be made.

We recognise the urgency. The government has a real point there. We want to see a finite end to this process and have flagged midnight next Thursday for an assured passage of the legislation through the Senate so that we can all have a target to work to—and hopefully raise the quality of the debate—because, through a gentleperson’s agreement, we know that that is the target. Under the prescription that is now reaching some finality on the non-government benches there would be speeches in the second reading debate today and Monday, but the Senate scrutiny—the inquiry by the committees—would take place tonight and tomorrow and extend into Monday. That would mean that by the time we get to the committee stage of looking at these packages, from Tuesday through to Thursday evening, we will be informed by that committee scrutiny of this legislation.

I just want to point out that at the doors this morning I held up the bill and pointed to what appeared, and what we were told by government yesterday, was a typo involving $2 billion. After further pressure to find out exactly what was going on there it appeared that it was not a typo at all; it is just an apparent discrepancy between what is in the bill and what is in the information being provided to senators. It is a clear example of the sorts of things that we need to clear up. We are dealing with big money here, and that money does not come out of thin air; it eventually comes out of the pockets of Australians.

I think the government may be concerned that it will face the blowtorch, as well as scrutiny, on occasion in the coming days but that is how it is meant to be. The Senate has a role, which comes to the fore at moments like this, for the nation. We are in extreme financial circumstances where we are skidding towards a recession. There is a global recession afoot and therefore it is incumbent on government to deal with that and on the Senate to make sure that in these circum-
stances the government gets the scrutiny the public requires of us.

I will be adding the Greens’ support to this amended motion coming from the government and Senator Fielding. It is a good outcome. It has required negotiations around the chamber, and it is an example of the Senate coming to the best possible configuration for scrutinising these bills, given the circumstances.

Senator FIELDING (Victoria—Leader of the Family First Party) (10.17 am)—These are serious and urgent times. The global financial crisis is very serious, and most Australians are fearful about its effect on their households and their families. Job security is at the forefront of nearly everybody’s mind. The government has the right to put forward a stimulus package. It is responsible and right for the government of the day to assess the economic climate and respond, but equally I think most Australians would find it prudent that before we go and spend $42 billion we have a look at it. The government should not wait months and years to respond but to wake up one morning and say, ‘We’re going to spend $42 billion and we want it passed the very next day,’ is negligent. It is absolutely negligent, and most Australians see through it.

We should take the politics out of this and put it in terms that we can all think about. If you are going to buy a $42 billion house do you stand outside and say: ‘That’s it. It looks good; I’m going to buy it’? I don’t think so. If you were going to throw the nation into debt—throw our future kids into debt—would you stand outside and say: ‘Listen, we’ve got it right. No-one else can comment on it. No other experts can have their say publicly,’ and just buy the house? No. When you buy a substantial house you get experts to come and have a look at it. You ask: ‘Is it sound? Is it fit and proper for my family—for Australian families?’ It really is an insult to all Australians for us to treat them in that way.

By all means the government of the day should put forward a stimulus package. We need one. Family First will vote for one. But the government is spending $42 billion and it would have you believe that no-one should have a say on it. That is an absolute joke. So Family First has put forward a proposal and I am glad that common sense will prevail. We have been able to get all the non-government parties to agree to an inquiry into that whole package. That allows the Senate to have a decent, informed debate about it and to have experts other than the government’s experts look at it.

This is absolutely serious. These are times that are very tough. There is no silver bullet. I have heard that before. I think we all agree with that, but if the government are going to fire their final bullet, surely we should make sure that it is not a rubber bullet that may bounce back and hit us all so that we lose more jobs. Family First is not saying we should not go into deficit. I think it is repulsive to think that we would say that we should not go into deficit when we have hundreds of thousands of fellow Australians who could fall off the cliff. We should be investing money to try and avert that situation. We should be aspiring to have a recession-breaking stimulus package, but there is no silver bullet. Nor do we want a rubber bullet that comes back and hits all of us.

I also do not think that we should be saying that Canberra or parliament should have their pockets full of money or not go into debt while we see fellow Australians fall off the cliff. I am not one to do that. I think that we should put our hand out. It is pity that the Prime Minister and the Leader of the Opposition cannot come together in a way that unites the nation on this issue. This is not
about politics; this is about real Australians who are doing it really tough and who are fearful. I have been unemployed. It is a terrible place to be. We need to do all that we can for others.

We should put aside the politics, look at this package with other experts and make sure that the components of this package are the best ways for the money to be spent. Will we be ever sure? Maybe not. But what is wrong with including other experts to have a look at it? What is wrong with having others say, ‘We think the money should be spent here’? What about others in the community who think that they are missing out with this package? Why shouldn’t they have their say? But no, the Rudd government says: ‘Listen, this is it. Take it or leave it.’ The Senate is doing what it was elected to do, which was to prudently look at things. It is urgent. We have put off Senate estimates next week and we will have an inquiry to allow other experts to have their say. That is the proper and prudent thing to do.

Senator Evans said that we need strong and decisive action. I agree. He left one word out: we need strong, decisive and prudent action. He left that out. Why did he leave that out? I am not sure why. If Australians took his speech and replayed it, they would see that he used words like ‘patsy’. What a joke. What an insult to Australian families. We should take his speech and publish it in the papers—the whole lot. Let them judge whether the Labor Party’s view on this is right.

Surely they should be supporting a short inquiry—a couple of days—into spending $42 billion. And they are laughing at us. They are laughing at Australia. It is an insult. I cannot believe that they are even credible coming forward with this and manoeuvring last night to try and pin it back and pull it back. They have presented the whole thing as a package. Let us look at it in an inquiry as a package. So as to satisfy the crossbenches, we will have an additional committee look at the housing package. But that is in addition. We need to look at this package in its entirety. We owe it to Australians and to our kids’ kids. If we are going into debt, let us get it right.

Senator XENOPHON (South Australia) (10.25 am)—There has been a lot more heat than light shed in parts of this debate. I have never heard in any parliament that I have been in in the last 11 years anyone talking about a mass outbreak of incontinence. I do not know if that is a useful addition to the debate in terms of what Senator Evans put to us. Senator Fielding is right. Suggesting that someone may be a patsy simply because they have agreed to a process for the scrutiny of these bills is not helpful either. With respect to Senator Coonan—and I do have great regard for her—I do not know if the ghosts of Rex Connor and Tirath Khemlani are too relevant to this debate either. That was a significantly different set of circumstances.

The Senate should do its job. That is why I have been pleased to co-sign a motion with Family First, the Australian Greens and the opposition—the coalition—to ensure that these bills undergo appropriate due process. It is extraordinary for the government to expect that these bills be passed in a period of a matter of hours after a marathon session of the House of Representatives. That is not what Australians expect the Senate to do. Given that something like half a million Australians voted differently between the lower house and the upper house because they wanted that level of scrutiny and that level of accountability, we need to do what Australians want us to do. This is about scrutiny and about being a watchdog and about not being a rubber stamp.
I will not speculate on the merits or otherwise of this package. We ought to have due process to look at it. We will have a short but comprehensive inquiry into what this package will mean for Australians. We will hear from Treasury about what modelling has been done in relation to this package. We will consider the implications of this package and the implications of the debt that will follow, along with the implications of taking any action now, given the worsening global financial crisis.

I also think it sensible that we have a process that looks at the issue of housing separately. I agree with Senator Bob Brown that that is a sensible approach. It is also appropriate that there be a deadline of midnight next Thursday so that these matters are dealt with by that time. This is a very significant piece of legislation. We are in dire times. It is important that we in the Senate do our job.

I will say one more thing in relation to the government saying that it is so urgent that we should deal with the bills relating to household assistance because otherwise Centrelink will not be able to cope with making the payments in time. I have not seen the evidence from the government that chaos would ensue. We are talking about considering this legislation appropriately and properly over the next few days, not about two, three or four weeks. We just need some time to do our job. I have yet to see any firm evidence from the departments that not passing this legislation this week, but rather dealing with this legislation next week, will have dire consequences.

That is why I am very pleased to be a co-signer to a motion by all non-government senators to show that there is unanimity at least on the issue of due process and giving this issue the appropriate scrutiny which it deserves.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (10.28 am)—This morning, we moved a motion that set out a timely plan for the Senate to handle the legislation that will deliver the Rudd Labor government’s Nation Building and Jobs Plan. This plan contains three packages, together worth $42 billion. It is the government taking decisive preemptive action to support the Australian economy. The need for this action cannot be underestimated. The global financial crisis is an unprecedented threat to the world economy, something not seen since the Great Depression. I do not think that the opposition quite understand the seriousness of the position that we are now in.

Australia is a trading nation. It lives and dies by exporting goods and services. Have a look at our top two-way trading partners: China, rate of growth almost halved; Japan, in recession; the United States, in recession; Singapore, in recession; the United Kingdom, in recession; South Korea, in recession; New Zealand, in recession; Thailand, probably technically in recession, as stated by its Prime Minister last week; Germany, in recession; and the rest of the Eurozone, in recession.

The time to act is now. We must do whatever we can to save this country from going down the same path as our trading nations. To do any less than that would sell us out, quite frankly. The Australian people expect the government to respond to this crisis and protect the Australian economy for the benefit of all Australians. The government have taken advice on what must be done and we have set out what must be done clearly and succinctly. If you understand the seriousness of the economic circumstances we find ourselves in, I ask you to support the package. It is a sensible position to adopt.
Mr Turnbull and the Liberal Party are using their numbers in this Senate to hold this country hostage. Mr Turnbull says he is prepared, effectively, to destroy and wreck the plan. As yet, he has no plan of his own. Mr Turnbull and the Liberal Party have chosen to risk the jobs, homes and businesses of thousands of Australians.

Let us be clear about this. I do not impugn the motives of Senator Xenophon, Senator Fielding and the Greens in seeking to scrutinise this package. But it is plainly ludicrous for the Liberals to claim that they are seeking to scrutinise what they have already rejected. This is a complete furphy. If you have already made up your mind to reject the package, if you have already determined you are going to reject it even before you have had a look at it, why waste time pretending to want to scrutinise it? The Liberal Party do not really want scrutiny; all they want to do is to attack, harp, whinge and whine.

But just what is the Liberal Party rejecting? The household stimulus package, which enables one-off cash payments of $950 to eligible people. These people are drought-affected farmers, families and those in education and training. The Tax Bonus for Working Australians Bill provides for a tax bonus payment of up to $950 to eligible Australian taxpayers. These payments are for self-funded retirees, part-pensioners and the vast majority of working people. That is what they are putting at risk. The Liberal Party do not really want scrutiny; all they want to do is to attack, harp, whinge and whine.

The two appropriation, nation-building and jobs bills provide for about two-thirds of the funding for the Nation Building and Jobs Plan. These appropriation bills provide funding to support jobs and set Australia up for a low-carbon future. The Rudd government is also installing free ceiling insulation in around 2.7 million Australian homes. The investment will support the jobs of tradespersons and workers employed in the manufacturing, distribution and installation of ceiling insulation during a severe global recession. This historic nation-building investment by the Rudd government not only will support jobs but is a down payment on the long-term strength of the Australian economy. Do not underestimate what the ESS payment and this payment will provide to support the economy.

By improving the quality of education received by every Australian child, this program will help deliver the stimulus today and underwrite higher productivity tomorrow. Despite the extraordinary adverse conditions in the global economy, despite the impact of this on the Australian economy, we know the opposition are opposing these bills. They have announced that they are opposing them, yet in the Senate they plan to refer the bills to a committee. Quite frankly, what is this about? Why don’t you cut to the chase if that is your position? You already know that you are opposing the bills. You have announced it. Clearly the committee hearings can only be a delaying action. You cannot be serious about looking at the content of the legislation at all. We have already said that that relating to payments can be dealt with, if you want to have scrutiny in relation to the remaining package, next week. That was a sensible position that was put forward. It should have been adopted.

I must emphasise that without urgent passage of these bills the Senate is putting the timely delivery of these payments in jeopardy. If the payments to be made through the tax system are to begin to be delivered in April, work in the ATO must start as soon as possible and the bills must be passed this week. If the payments are also to be made through Centrelink and delivered in March, work in Centrelink must start as soon as pos-
sible and the bills must be passed this week. Treasury advise that the prompt passage of the legislation is needed so the approval and ministerial processes which involve other levels of government can be established and the measures begin as soon as possible.

Families are doing it tough. Australia is on the precipice of rising unemployment and kids are sweltering in classrooms because they have no air-conditioning. These are the types of things that this package can provide support and assistance for. Instead, the coalition want to delay. The coalition are putting the payments schedule at great risk. Centrelink do a superb job, let me say, and I congratulate them for the work that they did in delivering the ESS payment. We have now asked them to continue that superb work and look at how they can then work through the next package, the $42 billion package, part of which they are responsible for delivering on behalf of the government. I thank the Centrelink staff for their efforts and a job well done, but I now have to ask them to rise up and start the work for the next strategy.

The strategy payments will support demand in the economy. The new package will do even more to meet the global recession as it continues. It will devastate retailers and jobs around the world. It will do wholesale damage to economies around the world, as we have seen. This government is trying to, as quickly as possible, insulate us from that.

When you look at Centrelink and the work that it has to do, its computer infrastructure is not like some electric motor you can stop and start at will. It is a massive payment engine that takes 16 hours to wind up and another 16 hours to load up. These are some of the payments that it has to crunch through: the $950 single income family bonus to about 1.5 million families and the $950 back-to-school bonus to support 2.8 million children. There are a range of payments that it has to make. They will start going into Australian bank accounts in the fortnight beginning 11 March, provided we can pass this legislation this week. That is if there are no hiccups. That is if there are no delays. That is if there is no spanner in the works from the coalition. If they choose to delay, choose to create problems with that system, then what we will be faced with is uncertainty. There will be no certainty that we will be able to make those payments at that time.

I note that the opposition members in the chamber have carpèd about wanting scrutiny. There is the ability to use this week in the chamber to undertake that process. From the opposition, in fact, all we get is scepticism—first on climate change and now on the global financial crisis. It really is a matter that they are not taking seriously, quite frankly.

Senator Ferguson—I hope you are not going to do a second reading speech as well.

Senator LUDWIG—I said I would provide the sum-up from the government’s perspective. I will not take the full time. What the opposition have failed to appreciate is the urgent need to pass these bills this week to ensure that both Centrelink and the ATO can start those payment engines and to ensure that we get the payments delivered on time into people’s accounts so that they can be provided with those bonuses. Any hiccup or delay to that will necessarily put more stress and strain on the system. If these things occur, be it on the Liberals’ heads. The sooner we make the payments, the better. We need to provide the stimulus as soon as possible. We need to pass this motion so that we can consider this package of bills today. With that, I thank the Senate.

The PRESIDENT—There being no more speakers, I will outline, just briefly, the process which will be followed. I will be dealing with, firstly, government business notice of
motion No. 2, which is standing in the name of Senator Ludwig. I will be putting that motion. Having dealt with that motion, if it happens to be defeated—and that may well be the case—I will deal with business of the Senate notice of motion No. 3. I understand that Senator Fielding will seek leave to move it in an amended form. If that motion happens to be successful then my advice is that government business notices of motion Nos 1 and 3 will lapse. They will not proceed. Is there anyone who is not clear as to what will happen? The question is that government business notice of motion No. 2 be agreed to.

The Senate divided. [10.45 am]

(The President—Senator the Hon. J.J. Hogg)

Ayes............. 28
Noes............. 40
Majority......... 12

AYES
Arbib, M.V. Bilyk, C.L.
Bishop, T.M. Brown, C.L.
Cameron, D.N. Carr, K.J.
Collins, J. Conroy, S.M.
Crossin, P.M. Farrell, D.E. *
Faulkner, J.P. Feeney, D.
Forsyth, M.G. Furner, M.L.
Hogg, J.J. Hurley, A.
Ludwig, J.W. Lundy, K.A.
Marshall, G. McLucas, J.E.
Moore, C. O’Brien, K.W.K.
Polley, H. Pratt, L.C.
Sherry, N.J. Stephens, U.
Sterle, G. Wortley, D.

NOES
Abetz, E. Barnett, G.
Bernardi, C. Birmingham, S.
Boyce, S. Brandis, G.H.
Brown, B.J. Bushby, D.C.
Cash, M.C. Colbeck, R.
Coonan, H.L. Cormann, M.H.P.
Eggleston, A. Ferguson, A.B.
Fielding, S. Fierravanti-Wells, C.
Fifield, M.P. Fisher, M.J.
Hanson-Young, S.C. Heffernan, W.

Humphries, G. Johnston, D.
Joyce, B. Kroger, H.
Ludlam, S. Macdonald, I.
Mason, B.J. McGauran, J.J.J.
Milne, C. Minchin, N.H.
Nash, F. Parry, S.
Payne, M.A. Ronaldson, M.
Ryan, S.M. Scullion, N.G.
Troeth, J.M. Trood, R.B.
Williams, J.R. * Xenophon, N.

PAIRS
Evans, C.V. Boswell, R.L.D.
Hutchins, S.P. Siewert, R.
McEwen, A. Adams, J.

* denotes teller

Senator Wong did not vote, to compensate for the vacancy caused by the resignation of Senator Ellison.

Question negatived.

Rearrangement

Senator FIELDING (Victoria—Leader of the Family First Party) (10.48 am)—I seek leave to move business of the Senate notice of motion No. 3 in a revised form, as circulated in the chamber.

Leave granted.

Senator FIELDING—I want to advise the Senate the revised motion is being moved in the names of the Leader of the Opposition in the Senate, Senator Minchin; the Leader of Family First, me; the Leader of the Australian Greens, Senator Bob Brown; and Senator Xenophon. I move:

That—

(1) The additional estimates hearings of standing committees scheduled for the week beginning 9 February 2009 not take place.

(2) The Senate meet from Monday, 9 February to Thursday, 12 February 2009.

(3) The Senate not meet from Monday, 23 February to Thursday, 26 February 2009.

(4) That the 2008-09 additional estimates hearings by standing committees be scheduled as follows:
Monday, 23 February and Tuesday, 24 February 2009, and, if required, Friday, 27 February 2009 (Group A).

Wednesday, 25 February and Thursday, 26 February 2009, and, if required, Friday, 27 February 2009 (Group B).

(5) The provisions of the following bills (the bills) be referred to the Finance and Public Administration Committee for inquiry and report by 10 February 2009:

- Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009
- Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009
- Commonwealth Inscribed Stock Amendment Bill 2009
- Household Stimulus Package Bill 2009
- Tax Bonus for Working Australians Bill 2009

(5A) The provisions of the Household Stimulus Package Bill 2009 also be referred to the Community Affairs Committee for inquiry and report by 10 February 2009.

(5B) The Community Affairs Committee may not meet to consider the Household Stimulus Package Bill 2009 at the same time as the Finance and Public Administration Committee is meeting to consider the bills.

(6) Notwithstanding the reference of the provisions of the bills, the Senate may consider the bills to the conclusion of the second reading stage, but shall not further consider the bills until the report of the Finance and Public Administration Committee on the bills has been tabled.

(7) On Thursday, 5 February 2009:

(a) the hours of meeting shall be 9.30 am to 7 pm;
(b) consideration of general business, and consideration of committee reports, government responses and Auditor-General’s reports under standing order 62(1) and (2) shall not be proceeded with;
(c) the routine of business from not later than 4.30 pm till 7 pm shall be consideration of the bills (second reading speeches);
(d) divisions may take place after 4.30 pm; and
(e) at 7 pm the Senate shall adjourn without any question being put.

(8) The Finance and Public Administration Committee shall meet from 7 pm to 9 pm on Thursday, 5 February 2009, and from 9 am on Friday, 6 February 2009 to take evidence from government departments and agencies, including (but not limited to):

(a) Treasury;
(b) Centrelink;
(c) Education, Employment and Workplace Relations;
(d) Environment, Heritage and the Arts; and
(e) Families, Housing, Community Services and Indigenous Affairs.

(9) The Finance and Public Administration Committee shall meet on Monday, 9 February 2009 to take further evidence in relation to the bills from non-government organisations, community groups and other interested parties as determined by the committee, and may meet during the sitting of the Senate for that purpose.

(10) The presentation of the reports of the committees on the bills be orders of the day for 12.31 pm on Tuesday, 10 February 2009.

(11) On Thursday, 12 February 2009, the hours of meeting shall be 9.30 am to adjournment, and the question for the adjournment of the Senate shall not be proposed until the Senate has finally considered the bills listed in paragraph (5).
(12) If the Senate has not finally determined the bills by midnight on Thursday, 12 February 2009, the President or the chairman shall immediately put the question on any amendment or motion already proposed from the chair, and shall then propose any other question requisite to dispose of the bills.

Question agreed to.

The PRESIDENT—In which case, as I have already advised the chamber, government business notice of motion No. 1 will not be proceeded with, nor will No. 3.

COMMITTEES

Finance and Public Administration Committee

Reference


Community Affairs Committee

Reference

Pursuant to order of the Senate agreed to on 5 February, the provisions of Household Stimulus Package Bill 2009 stand referred to the Senate Standing Committee on Community Affairs for inquiry and report by 10 February 2009.

NOTICES

Postponement

The following item of business was postponed:

Business of the Senate notice of motion no. 2, standing in the name of Senator Milne for today, proposing a reference to the Environment, Communications and the Arts Committee, postponed till 10 March 2009.

COMMITTEES

Finance and Public Administration Committee

Meeting

Senator O'BRIEN (Tasmania) (10.50 am)—At the request of the Chair of the Senate Standing Committee on Finance and Public Administration, Senator Polley, I move:

That the Finance and Public Administration Committee be authorised to hold public meetings during the sittings of the Senate, as follows:

(a) on Thursday, 5 February 2009, from 3.45 pm, to take evidence for the committee’s inquiry into the Freedom of Information (Removal of Conclusive Certificates and Other Measures) Bill 2008 [2009]; and

(b) on Thursday, 26 February 2009, from 3.30 pm, to take evidence for the committee’s inquiry into residential and community aged care in Australia.

Question agreed to.

Legal and Constitutional Affairs Committee

Meeting

Senator O'BRIEN (Tasmania) (3.50 pm)—At the request of the Chair of the Senate Standing Committee on Legal and Constitutional Affairs, Senator Crossin, I move:

That the Legal and Constitutional Affairs Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 5 February 2009, from 4.30 pm to 6 pm, to take evidence for the committee’s inquiry into the provisions of the Federal Court of Australia Amendment (Criminal Jurisdiction) Bill 2008.

Question agreed to.
TOUR DOWN UNDER

Senator HURLEY (South Australia) (10.51 am)—I move:

(a) congratulates organisers of the Tour Down Under cycling event on staging the most successful cycling event since its inception in 1999;
(b) expresses thanks to all the support staff and others who have contributed to the success of the event;
(c) congratulates Mr Allan Davis (Quickstep) on winning an outstanding 2009 Tour Down Under cycling event;
(d) conveys, on behalf of all Australians, the nation’s pride and congratulations for the performances of participants over the course of the competition;
(e) thanks the South Australian people and the thousands from interstate who cheered cyclists in the 2009 Tour Down Under and participated in the event;
(f) commends the contribution made by the South Australian State Government in announcing a massive roll-out of bike paths and honouring some of South Australia’s cycling greats;
(g) notes the generous pledge by the South Australian Premier, Mr Mike Rann, to triple any funds raised by Cancer Council of South Australia during 2009 Tour Down Under;
(h) also thanks Mr Lance Armstrong for his cancer awareness campaign and the high profile media coverage he brought to South Australia and Australia;
(i) acknowledges the contribution of the International Cycling Union to the success of the Tour Down Under; and
(j) congratulates the Minister for Sport, Ms Kate Ellis, and the Australian Sports Anti-Doping Authority for ensuring the conduct of a free and fair race.

Question agreed to.

COMMITTEES

Legal and Constitutional Affairs Committee Reference

Senator BARNETT (Tasmania) (10.51 am)—I move:

That the following matter be referred to the Legal and Constitutional Affairs Committee for inquiry and report by 25 June 2009:

Australia’s judicial system and the role of judges, with particular reference to:

(a) the procedure for appointment and method of termination;
(b) the term of appointment, including the desirability of a compulsory retirement age, and the merit of full-time, part-time or other arrangements;
(c) appropriate qualifications;
(d) jurisdictional issues;
(e) the cost of delivering justice;
(f) the timeliness of judicial decisions;
(g) the judicial complaints handling system;
(h) the interface between the federal and state judicial system; and
(i) other matters relating and incidental thereto.

Senator LUDLAM (Western Australia) (10.51 am)—I seek leave to move an amendment to the motion.

Leave granted.

Senator LUDLAM—I thank the Senate. I move the amendment circulated in the chamber:

Omit all words after “inquiry and report”, substitute “by 17 August 2009:

Australia’s judicial system and the role of judges, with particular reference to:

(a) the procedure for appointment and method of termination;
(b) the term of appointment, including the desirability of a compulsory retirement age, and the merit of full-time, part-time or other arrangements;
(c) appropriate qualifications;
(d) jurisdictional issues;
(e) the cost of delivering justice;
(f) the timeliness of judicial decisions;
(g) the judicial complaints handling system;
(h) the interface between the federal and state judicial system;
(i) the ability of people to access legal representation;
(j) the adequacy of legal aid;
(k) measures to reduce the length and complexity of litigation;
(l) alternative means of delivering justice;
(m) the adequacy of funding and resource arrangements for community legal centres;
(n) the ability of Indigenous people to access justice; and
(o) other matters relating and incidental thereto.

Question agreed to.
Original question, as amended, agreed to.

CLIMATE CHANGE

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.54 am)—I seek leave to amend general business notice of motion No. 347 standing in my name.

Senator ABETZ (Tasmania) (10.54 am)—by leave—Senator Brown circulated a motion with four components. We agreed that we would support it if a fifth, which is now subparagraph (e), was included. We thought that that is what had been agreed. We now note a subparagraph (f) has been included as well, but we were not consulted about that. I would invite Senator Brown to potentially defer this motion so that we can give consideration to paragraph (f), of which we were not notified until just now.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.55 am)—I am happy to hold this off until the next day, but I want to correct the record. I provided the opposition with this proposed amendment about half an hour ago, Senator Abetz, and so it has been given.

The PRESIDENT—Senator Brown, are you seeking leave for this to be deferred to the next day of sitting or a later hour of the day?

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.55 am)—A later hour of the day, if we may.

The PRESIDENT—We cannot do it at a later hour. It can be brought on, by leave, later.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.55 am)—I seek leave to bring it on at a later hour and so I seek leave to defer it at this time.

Leave granted.

WHALING

Senator HANSON-YOUNG (South Australia) (10.56 am)—At the request of Senator Siewert, I move:

That the Senate—

(a) notes that:

(i) on 25 November 2008, the Senate urged the Australian Government to set a timeline for legal proceedings in an international court to stop illegal Japanese whaling if Japan does not commit to stop whaling by 8 December 2008,

(ii) Japanese whaling operations continued past this deadline, and

(iii) no such legal action has been undertaken by the Government;

(b) urges the Government to:

(i) strongly oppose the proposal in the document, ‘The Future of the IWC’, currently before the International Whaling Commission, which seeks to legitimise Japanese whaling operations, and
(ii) immediately commence international legal action to stop illegal Japanese whaling; and

c) condemns the violent actions of the Japanese whaling fleet, who have reportedly thrown metal balls at environmental activists, and used acoustic weapons to send out painful high frequency sound waves.

**The President**—Is there any objection to this motion being taken as formal?

**Senator Ludwig** (Queensland—Minister for Human Services) (10.56 am)—by leave—The Australian government’s position on the issue of commercial whaling, including so-called ‘scientific’ whaling, is clear. We remain absolutely opposed to it and have taken unprecedented steps, including through high-level diplomatic engagement and advancing reform proposals through the International Whaling Commission. The document released from the chairs of the International Whaling Commission this week is titled *Chairs’ suggestions on the future of the IWC*. As the chairs make clear, this document represents their suggestions on how to make progress at the commission. It is not a proposal for action and it does not reflect any agreement between those nations involved in discussions, including Australia.

The Australian government will continue to pursue our objectives diplomatically as we head towards the IWC annual meeting this June. We will continue to review progress, including through the IWC, and maintain the active consideration of potential international legal action. The government calls upon all vessels in the Southern Ocean to exercise restraint and conduct their activities peacefully and responsibly in accordance with the decisions of the International Whaling Commission and relevant domestic and international law.

Question agreed to.

**IMMIGRATION DETENTION**

**Senator Hanson-Young** (South Australia) (10.58 am)—I seek leave to amend general business notice of motion No. 341 standing in my name.

Leave granted.

**Senator Hanson-Young**—I move the motion as amended:

That the Senate—

(a) notes:

(i) the release in January 2009, of the Australian Human Rights Commission’s 2008 *Immigration detention report*, and

(ii) this report highlights, among other things, that asylum seekers, including children, are able to still be held indefinitely, despite assurances by the Rudd Government that detention is only being used as a last resort, and for the shortest possible time;

(b) recognises that the lack of available merits and judicial review for people detained in immigration detention has resulted in people being held wrongfully, unlawfully and for a period of years; and

(c) calls on the Government to translate its ‘new directions’ for Australia’s immigration detention system into policy, practice and legislative change as soon as possible.

Question put.

The Senate divided. [11.03 am]

(The President—Senator the Hon. J J Hogg)

<table>
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<tr>
<th>Ayes</th>
<th>Noes</th>
<th>Majority</th>
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<td>6</td>
<td>42</td>
<td>36</td>
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**AYES**

Brown, B.J.  
Hanson-Young, S.C.  
Milne, C.  

**NOES**

Abetz, E.  
Arbib, M.V.  
Bernardi, C.  
Bilyk, C.L.  

CHAMBER
Question negatived.

**COMMITTEES**

**Regulations and Ordinances Committee**

Senator WORTLEY (South Australia) (11.07 am)—On behalf of the Standing Committee on Regulations and Ordinances, I present the Delegated Legislation Monitor for 2008.

**BUDGET**

**Consideration by Estimates Committees**

Senator FARRELL (South Australia) (11.07 am)—I present additional information received by committees relating to estimates as follows:

- Community Affairs Committee—3 volumes
- Economics Committee
- Education, Employment and Workplace Relations Committee
- Environment, Communications and the Arts Committee
- Finance and Public Administration Committee
- Foreign Affairs, Defence and Trade Committee

Rural and Regional Affairs and Transport Committee

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

**First Reading**

Bill received from the House of Representatives.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.08 am)—I move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.08 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This bill is to make minor and technical amendments to several Acts within the Families, Housing, Community Services and Indigenous Affairs and related portfolios.

In particular, the bill makes minor amendments to the social security law and the family assistance law to improve the operation and effectiveness of the Social Security Appeals Tribunal (known as the SSAT).

Firstly, the bill will allow the SSAT to give oral reasons on ‘affirmed’ social security and family assistance cases – that is, review cases that affirm the decision made by Centrelink. This will bring those jurisdictions more closely into line with the child support, where the SSAT does have the option of giving reasons orally to the parties. As in the child support sphere, the oral decision ar-
rangements will be subject to the right of the parties to request written reasons if they prefer.

Secondly, amendments will allow Centrelink to make oral submissions to SSAT hearings. At present, Centrelink may make written submissions to the SSAT, but not oral submissions. However, again, the child support SSAT arrangements are somewhat different. These allow the Child Support Agency to ask the SSAT for permission to make oral submissions at an SSAT hearing, and also allow the SSAT to order the Agency to make oral submissions.

We anticipate that this new power to allow or direct oral submissions in social security and family assistance reviews will be used in complex cases where further explanation may clarify a complicated or technical matter and help the SSAT to reach the correct or preferable decision. The facility to allow or direct oral submissions will help to avoid costly and inefficient adjournments. The social security and family assistance SSAT arrangements will gain this flexible and efficient aspect of the child support system of review and appeals through this bill.

Thirdly, amendments will allow SSAT members to be appointed for a term of up to five years, in place of the currently allowed term of up to three years. The change will bring the SSAT into line with Government policy that appointments of statutory office-holders are generally to be made for a period of five years for reasons of stability, efficiency and good governance.

The bill also makes technical amendments to several Acts, primarily the social security law, to repeal redundant provisions, or references to redundant payments or repealed provisions, to correct cross-references, to correct misdescribed amendments, and address similar matters.

Debate (on motion by Senator Sherry) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.
I seek leave to have the second reading speeches incorporated in *Hansard*.

Leave granted.

*The speeches read as follows—*

**APPROPRIATION (NATION BUILDING AND JOBS) BILL (No. 1) 2008-2009**

This bill contains a key component of the Nation Building and Jobs Plan the Government announced yesterday - the new Energy Efficient Homes program.

The program provides a $2.7 billion time-limited investment in the modernisation of Australia’s housing stock – a measure that will see almost all Australian homes insulated by the end of 2011.

Ceiling insulation is typically the most cost-effective energy improvement that can be made to homes, providing real, tangible and immediate benefits to Australian households.

An uninsulated roof cavity can lose up to 40 per cent of a building’s heat, and in many cases could deliver reductions of more than 2.5 tonnes of greenhouse gases per year for the life of the dwelling.

A typical household could also save around $200 in their energy costs each year through the installation of insulation. Despite this, up to 40 per cent of Australia’s homes do not have insulation.

The Energy Efficient Homes program will see ceiling insulation offered to all uninsulated owner-occupied homes over the next two and a half years.

In the majority of cases homeowners will not need to pay a cent — they can simply make a phone call and the Government will arrange for the installation of insulation in their roof.

The Government is aware that those in rental properties and those who have already installed insulation in their homes will also want to play their part.

This bill includes enhancements to two existing energy efficiency programs: the Low Emissions Plan for Renters and the Solar Hot Water Rebate.

The Low Emissions Plan for Renters program provides rebates to landlords installing insulation in their rental properties.

The rebate was set at up to $500 and limited to 300,000 rental homes.

This bill provides for an increase in the maximum rebate to $1,000 until 30 June 2011 and removes the cap on the number of properties that can be insulated under this program.

This is an additional investment of more than $600 million and represents an unprecedented opportunity for landlords to do the right thing by their tenants and install insulation in their rental properties.

This bill will also increase the maximum Solar Hot Water Rebate — from $1,000 to $1,600 — for households who do not access the insulation program and who replace their existing electric hot water systems with a solar and heat pump hot water system before 30 June 2012.

Households that access this rebate could save $300 to $700 each year on their energy bills.

The Energy Efficient Homes package will see an additional $3.9 billion invested in the fight against climate change and delivers on the Government’s household energy efficiency commitments in the Carbon Pollution Reduction Scheme White Paper.

Once fully implemented these measures could reduce cumulative greenhouse gas emissions by as much as 49.4 million tonnes by 2020 – that is the equivalent of taking more than one million cars off the road.

This investment in energy efficiency will modernise Australia’s existing housing stock and contribute to meeting Australia’s 2020 target for emissions reductions.

In addition to long term environmental benefits, this package supports the jobs of tradespeople and other workers employed in the manufacturing, distribution and installation of ceiling insulation and solar and heat pump hot water systems.

And there is already some early indication from business that our plan will have an impact.

Let me read a quote from one insulation fitter, on ABC Radio yesterday, who said:

“Our own company... had to lay off a shift in one of our plants just before Christmas. We’ll be putting that shift back on.”
This bill also provides the enabling funding necessary to see this package implemented immediately and effectively.

This includes $50 million allocated over the forward estimates to ensure that the one-off payment for working Australians is delivered expeditiously.

With carefully designed initiatives like those contained in this bill, there’s no reason we cannot emerge from this global recession stronger and more prosperous than we were before it.

The Energy Efficient Homes plan has a role to play in supporting jobs now and building the low pollution economy, and the growth and prosperity, that Australians deserve for the future.

I commend the bill.

APPROPRIATION (NATION BUILDING AND JOBS) BILL (No. 2) 2008-2009

The unfolding global economic story reminds us daily that we find ourselves in the midst of the most significant global economic crisis since the Great Depression.

Its severity has grown since the release of the Government’s $10.4 billion Economic Security Strategy in October last year, and has become even more serious since the Mid-Year Economic and Fiscal Outlook I released in November.

Projections of world growth, including by the International Monetary Fund, continue to deteriorate to a much greater extent than many envisaged at that time.

The largest advanced economies in the world are already in recession, bringing the loss of millions of jobs.

This global recession, the slow down in the mining sector and among our trading partners, particularly China, has serious consequences for Australian jobs and growth.

While we find reassurance in knowing that Australia is better placed than almost any other developed economy to withstand this fallout, we also know we are far from immune from it.

Although Australia has weathered the early stages of the global recession better than many other countries, the weight of the global recession is now bearing down on the Australian economy.

The global mining boom that drove large increases in the terms of trade and in our national income, has come to an end.

Australian growth, as a result, is expected to be significantly weaker than previously anticipated.

Growth for 2008-09 has been revised down from 2 per cent in MYEFO in November to 1 per cent in UEFO, and unemployment will be higher.

And that is precisely why the Government has introduced the National Building and Jobs Plan, incorporating:

(1) $28.8 billion to build the schools and roads and homes and communities and energy efficiency we need for future prosperity;

(2) And $12.7 billion to boost consumption so we can support jobs now

Jobs now, and the building blocks of growth and prosperity for the future – that’s the absolute essence of the Nation Building and Infrastructure Plan the Prime Minister and I announced yesterday.

It’s a plan that we expect to boost growth by around ½ per cent in 2008-09, and ¾ to 1 per cent in 2009-10, and support up to 90,000 jobs over that period.

There is no guarantee our economy will not deteriorate further – even slower growth remains a genuine threat.

The only certainty here is that our country will be worse off, and more Australians will be out of work, if we do not act in the way I will outline today.

NATION BUILDING AND JOBS PLAN

The Nation Building and Jobs Plan is based on the reality that now is not the time for half measures.

It is a time to be bold and to get on with it.

It is weighted towards productive investment.

It meets the crucial conditions for effective fiscal stimulus; it is temporary, timely and targeted.

It will allow the swift construction of the schools and roads and communities we need for future prosperity.
And like the Economic Security Strategy – which boosted demand in December and January 2008 – this Plan will keep Australia ahead of the curve.

The measures we are introducing today are critical and they are urgent.

Our Plan seeks to support jobs and growth immediately, through a further round of targeted tax and transfer payments.

It also lays foundations for higher productivity and future prosperity through a program of infrastructure investment.

The plan will contribute to our long-term productivity reform agenda – an agenda that embraces the education revolution, investing in advanced infrastructure, COAG reform, and making the transition to the low carbon economy of the future.

The infrastructure investment in this bill accounts for $28 billion of the overall $42 billion cost of the Plan – more than two thirds of it.

This investment will provide lasting benefits to local communities and to our national economy, as well as supporting Australian jobs during these tough times.

BUILDING THE EDUCATION REVOLUTION

The bill that I introduce to the House today will fund the largest and most ambitious school modernisation program in Australian history.

This is the centrepiece of our Nation Building and Jobs Plan.

The Building the Education Revolution program will fund a $14.7 billion investment in educational infrastructure over three years.

It will benefit each and every one of Australia’s 9,540 schools.

Every single community, every single school, every single P&C – all with a role in the nation’s economic future.

This is a critical investment in the education revolution.

Nothing is more central to our longer term economic and social development than the education of our children.

We cannot provide our kids with a 21st century education if they are stuck in cramped, decaying classrooms, designed for a generation of Australian children that left school many years ago.

Schools that were built in the 19th and 20th centuries reflect the design standards, equipment and needs of a different era.

Under the Building the Education Revolution program, we will invest $12.4 billion in the construction of assembly halls, knowledge centres, indoor sports centres, performing arts centres, and similar major improvements for all Australian primary schools, special schools and K to 12 schools.

Funds will be allocated to reflect school size, with $250,000 provided to small primary schools of up to 50 students, and up to $3 million for large primary schools with more than 400 students.

A further $1 billion in 2009-10 will be available for the construction of science laboratories and language learning centres in approximately 500 secondary schools, based on assessed need.

Primary and secondary schools will also be able to apply for one-off funding of up to $200,000 for maintenance and infrastructure, at an estimated cost of $1.3 billion over two years.

This package of investment will provide tangible benefits to all local communities and will provide a major boost to key educational infrastructure for Australia’s children.

SOCIAL HOUSING

This bill also contains vital measures to tackle the crisis in affordable housing inherited by this Government after years of under-investment.

Improving the supply of affordable housing is a key part of achieving the Government’s goal of halving the level of homelessness by 2020.

Across Australia, individuals and families in the bottom 40 per cent of earners are struggling to find affordable housing.

For these people the social housing system is a key element of Australia’s social safety net.

A cumulative real cut of $3 billion to public housing over the last ten years has reduced the social housing stock and contributed to the state of poor repair.
As a result, many people who needed public housing have been forced into the private rental market.

This has contributed to a situation where 150,000 of the poorest households in Australia pay more than half their income in rent in the private rental market.

The Commonwealth Social Housing Initiative will provide up to $6 billion to the States and Territories to fund construction of approximately 20,000 new dwellings.

This is a significant investment that will accelerate progress on our 2020 goal – and reduce the number of low income households paying more than half their income in rent.

The Commonwealth Social Housing Initiative will also provide an important immediate stimulus to the housing construction sector through $400 million for repairs to get existing social housing up to scratch.

We have received strong support on this initiative from industry, for example from Peter Verwer of the Property Council of Australia, who said:

“Every dollar that goes into construction sector has a multiplier effect – it is spent three times over in the economy. This makes for an ideal measure of a well thought-out stimulus package.”

COMMUNITY INFRASTRUCTURE

A third nation-building priority in this bill is community infrastructure.

There is a desperate need for renewing and upgrading the infrastructure of local communities around our nation.

Our nation has a large backlog of essential infrastructure projects in local communities.

Much of our community infrastructure was built in the 1950s and 1960s and is in urgent need of renewal.

That is clear from the response to the $300 million Regional and Local Community Infrastructure Program (RLCIP) that the Prime Minister announced at the inaugural meeting of the Australian Council of Local Government in November last year.

The competitive component of that Program – $50 million for Strategic Projects – is already heavily oversubscribed.

That’s why the bill I introduce to the House today includes a $500 million investment over two years to help councils to invest in critical local projects through the Community Infrastructure Fund.

This will include community halls, tourism infrastructure and sport and recreation facilities.

It is in addition to the $300 million investment announced last year, and it will provide an important boost to local economies of regional centres, towns and suburbs right across the nation.

The bill also provides an additional $390 million over two years for Black Spots, Boom Gates and Regional Infrastructure.

This will bring forward and boost capital expenditure in regional areas.

It will also improve safety for motorists and passengers. I note the remarks yesterday of Wendy Machin from the National Roads and Motorists’ Association:

“The NRMA warmly welcomes this additional funding, particularly the fact that a substantial proportion of the money will be immediately available to be spent this financial year. Black Spot funding has been a major factor in improving road safety on many roads around Australia – additional funding for these projects is fantastic.”

This and the other community initiatives the Government announced yesterday will provide an immediate boost to jobs and businesses in regions right across Australia, as well as providing a lasting benefit to local communities.

CONCLUSION

There’ll be no quick fix to this global recession and many of its effects are still to be felt.

But the Government is doing what it can to help see Australia through.

This is the first in a package of six legislative bills to give effect to its Nation Building and Jobs Plan, announced on 3 February 2009.

It shows the Government will do whatever it takes to support Australian jobs during these dif-
ficult times, while still laying the foundations for the next generation of prosperity.

With the Rudd Government’s dedicated nation building program, with initiatives like those I have outlined today, with national unity and with purpose, there is no reason we cannot emerge from this global recession stronger and more prosperous than before the global financial crisis began.

I commend the bill.

HOUSEHOLD STIMULUS PACKAGE BILL 2009

The Prime Minister and the Treasurer have provided clear context for the Government’s decision to further support economic growth and jobs through the Nation Building and Jobs Plan.

Demand in the economy needs to be fostered, and our economic circumstances provide the opportunity to boost necessary economic and social infrastructure. We are particularly pleased with the Building the Education Revolution initiative which will offer all Australian schools the opportunity to enhance their level of amenity with expected flow-ons for educational outcomes.

However, our Nation Building and Jobs Plan goes beyond the roll-out of key infrastructure investment. The Government will provide $12.7 billion in tax bonuses and payments to low- and middle-income Australians as part of its Plan to help provide further immediate stimulus to the economy and to continue to support Australian households.

Widespread support will be provided to households through bonus payments under the tax and transfer system, including additional support and incentives for people to engage in education and training. These payments will complement those made in the Economic Security Strategy and seek to broaden the spending base covered in the Government’s overall response to the economic crisis. Approximately 12 million individuals will benefit from the bonus payments, which will not be taxable and will not count for income testing purposes.

The Household Stimulus Package includes five key bonuses.

Back to School Bonus

Our Back to School Bonus will assist over 1.5 million families and 2.8 million children in meeting the costs of education during these difficult times through a one-off bonus of $950 per child to families with school-aged children between four and 18 who are eligible for family tax benefit Part A. In addition to those who will receive the back to school bonus because they are eligible for family tax benefit Part A, the Government has decided to extend the bonus to children aged 18 or under on 3 February 2009 who receive carer payment or disability support pension. This $2.6 billion bonus will provide an immediate boost to consumption to help support growth and jobs.

Single Income Family Bonus

To give additional assistance to families with children that have one main income earner, the Government will provide a $950 one-off payment to approximately 1.5 million families who are entitled to family tax benefit Part B. This measure complements the $950 Tax Bonus for Working Australians announced as part of the Government’s Plan, which is provided for in a separate bill.

Training and Learning Bonus

The Government will further support education and training through a $513 million Training and Learning Bonus, comprising two elements. A one-off bonus of $950 will be paid to eligible students, those returning to study or training, and to certain other income support recipients to assist with costs for the 2009 academic year. The Government will also provide a temporary additional incentive for eligible social security recipients to return to education and training in the form of a $950 supplement to the education entry payment and relaxation of the eligibility criteria. The Training and Learning Bonus will assist Australia’s recovery by providing for a more equipped workforce into the future.

Farmers Hardship Bonus

The Global Financial Crisis is not just a city phenomenon. Our regions and rural areas will also feel the impact of the slowdown. So as part of our Nation Building and Jobs Plan, we will provide support for growth and jobs in rural and regional areas already experiencing difficult times. The
Government will provide $20.4 million in 2008-09 for a one-off bonus payment of $950 to farmers and small business owners receiving Exceptional Circumstances related income support payments. These payments will benefit approximately 21,500 recipients.

These one-off bonuses are necessary to provide an immediate stimulus to the economy given the severity of the global downturn. It is a critical part of the Government’s National Building and Jobs Plan.

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TAX BONUS FOR WORKING AUSTRALIANS BILL 2009

A key part of the Government’s Nation Building and Jobs Plan is to provide financial support to taxpayers.

The measures contained in this bill do just that.

This bill delivers the Government’s Tax Bonus for Working Australians, announced by the Prime Minister and Treasurer on 3 February 2009.

The plan was introduced to assist the Australian people deal with the most significant economic crisis since the Second World War and provide immediate economic stimulus to boost demand and support jobs.

This measure, at a cost of $8.2 billion, provides financial support to around 8.7 million taxpayers and is one of five key $950 one-off payments for low and middle income households and individuals.

The Government is providing these cash payments to immediately support jobs and strengthen the Australian economy during a severe global recession.

To immediately stimulate the economy in the shortest possible time, the five groups of one-off cash bonuses will be paid in March and April 2009.

The Tax Bonus for Working Australians will be paid to resident individual taxpayers who had taxable income of up to $100,000 and who paid income tax for the 2007-08 financial year, after taking into account any tax offsets and imputation credits.

A payment of $950 will be paid to those who had a taxable income of up to and including $80,000 for the 2007-08 income year.

A payment of $650 will be paid to those who had a taxable income exceeding $80,000 to $90,000.

A payment of $300 will be paid to those who had a taxable income exceeding $90,000 up to and including $100,000.

Eligibility for the payment will be determined by the Commissioner of Taxation with all payments being made automatically by the Australian Taxation Office.

The bonus will be available from April 2009 to Australian resident taxpayers who have already had their tax returns assessed.

This will be the vast majority of eligible taxpayers.

Taxpayers who have not yet lodged their 2007-08 tax returns will have their bonus paid following the ATO’s assessment of their returns.

Importantly, taxpayers should lodge their 2007-08 tax return by 30 June 2009 to be eligible for the bonus payment.

I commend the bill.

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TAX BONUS FOR WORKING AUSTRALIANS (CONSEQUENTIAL AMENDMENTS) BILL 2009

This bill provides for consequential amendments to various Acts in relation to the tax bonus payment provided for in the Tax Bonus for Working Australians Bill 2009.

It ensures that the tax bonus payments are not to be treated as income for tax and welfare-related purposes.

In particular, the bonus payment will be non-assessable and non-exempt income, which means that it will be disregarded for income tax purposes.

In addition, the payments will not be treated as income for the purposes of social security and family assistance benefits paid by Centrelink.

The bill also makes other consequential amendments relating to the administration of the bonus payment.

I commend the bill.
The outlook for the global economy has deteriorated sharply.
As a result of the Global Financial Crisis, the global economy is now facing a much deeper and more protracted recession than previously expected.
Advanced economies are expected to experience the sharpest collective decline in Gross Domestic Product in the post-war period.
The key emerging economies of China and India are now forecast to slow markedly, with growth in China is expected to halve in just two years.
And as a result, the global commodity boom, which has provided significant stimulus to Australian growth and incomes over recent years, is winding back.
With the weight of the global recession now bearing down on the Australian economy, growth is expected to be weaker than anticipated, and unemployment will be higher.
It will also impact directly on the budget bottom line.
The Global recession has wiped out $115 billion of tax receipts across the forward estimates and moved the budget into temporary deficit.
To support jobs and growth in the face of the global recession, the Rudd Government has announced the $42 billion Nation Building and Jobs Plan.
This bill will temporarily add to the deficit.
This bill will ensure that the Government can raise the funds required to meet this temporary deficit.
The Commonwealth Inscribed Stock Act 1911 provides the Treasurer with a standing authority to borrow.
This standing authority to borrow is limited to $75 billion.
This amendment proposes to supplement that limit by providing that, in special circumstances, the Treasurer may increase the cap by $125 billion.
The current global recession, and its impact on Australia, is clearly such a special circumstance.
The overwhelming majority of the increase in net debt is due to the collapse in tax receipts as a result of the global recession and the unwinding of the commodities boom.
Rises in payments, also associated with the slowing economy, are contributing to net debt.
The Government’s measures to support jobs and growth will also contribute.
Australian Government net debt will remain very low by international standards.
At the end of the forward estimates Australia’s net debt is forecast to be just 5.2 per cent of GDP, while the average net debt for OECD countries in 2010 is estimated to be around 45 per cent of GDP.
The Government remains committed to its medium term fiscal strategy of achieving budget surpluses, on average, over the cycle.
As soon as the economy recovers, and grows above trend, the Government will take action to return the budget to surplus.
These surpluses will be drawn upon to retire debt as rapidly as economic circumstances permit.
But now, in the face of a deep and protracted global recession, the government must be focused on supporting jobs and growth, while investing in nation building infrastructure – and we make no apology for that.

Debate (on motion by Senator Sherry) adjourned.
Ordered that the resumption of the debate be made an order of the day for a later hour.

AUDITOR-GENERAL AMENDMENT BILL 2008 [2009]
Second Reading
Debate resumed from 3 December, on motion by Senator Ludwig:
That this bill be now read a second time.

Senator RONALDSON (Victoria) (11.11 am)—I appreciate the opportunity to speak to this bill this morning prior to the rest of the debate. I will confine my comments to enable that debate to proceed as quickly as possible. The coalition supports the Auditor-
General Amendment Bill 2008 [2009]. It basically comes out of recommendations of the Joint Standing Committee of Public Accounts and Audit in, I think, 2001. The government of the day had some minor concerns and these have been addressed and are reflected in the current bill. We obviously support the role of the Auditor-General. It is extremely important in the context of proper scrutiny of the activities of government. This bill will enable that scrutiny to be further enhanced. I note that there was, in Audit Report No. 19, released by the Auditor-General yesterday, scrutiny of the CMAX Communications contract for the 2020 Summit and the activities of the Department of the Prime Minister and Cabinet. If you look at that report, it indeed reflects the importance of the role of the Auditor-General and the requirement that we provide the Auditor-General with the requisite powers to address government and government activities. I also note with interest that the spin of the government last night in relation to this report on CMAX Communications and the activities of the staff of the Department of the Prime Minister and Cabinet, involving a senior member of Minister Fitzgibbon’s office, was that this report cleared those activities. As honourable senators know—

Senator Mark Bishop interjecting—

Senator RONALDSON—I suspect you protesteth too much, my friend, because I have been talking about this for only about 10 seconds and you are already starting to plead the case. I will make the suggestion to Senator Bishop, Mr Acting Deputy President, that, as much as I do like him and respect him, perhaps he should read the report first and then give some commentary on it. When I am finished I am happy to send it over so he can flick through it. For his benefit I have highlighted some parts of the report so that he can refer to them as well, which I think is in the nature of the spirit of cooperation of this chamber.

The interesting part is that the spin was that there was no undue influence coming out of the Prime Minister’s office in relation to the awarding of a non-tendered contract for the 2020 Summit to a company owned at the time by a senior member of the office of the Minister for Defence, Mr Fitzgibbon. For those who might not have been following this, and it is hard to believe that anyone would not have followed this appalling act of a lack of transparency—so for those who might not have, those who have been away for some time; for about 12 months they would have had to have been if they had missed this—the Minister for Defence’s senior media adviser owned a company called CMAX Communications and CMAX Communications was providing work to the Australian government. So you have a senior member of a senior minister’s office running a company that was taking contracts and taking taxpayers’ funds at the same time as he was operating his job.

This is again for those who have been away for 12 months and are not aware of this appalling lack of transparency. How did CMAX Communications get the job? Through a tender process? No. Through an open tender process? No. Indeed, Prime Minister and Cabinet were recommended to use CMAX Communications by a senior adviser in the Prime Minister’s office. The government put out their spin yesterday about there being no undue pressure. Well, what is the definition of ‘undue pressure’? The senior adviser in charge of the 2020 Summit brings in Prime Minister and Cabinet and says, ‘You might like to consider CMAX Communications for the media role in the 2020 Summit.’ Take the mere fact that that company was recommended, given the relationships between the senior advisers in the Prime Minister’s office and the senior...
adviser in the Minister for Defence’s office. That mere recommendation was itself undue pressure. So you have got PM&C coming in and you have got the senior adviser saying, ‘Oh, you might like to consider CMAX Communications for this job.’ So what? Does PM&C go away and say, ‘Oh, well, no; we’re not prepared to accept that’—particularly when the senior adviser has probably said, ‘You know the urgency of this contract, don’t you?’ So how do you think PM&C might have responded to that? I might be terribly wrong but I just reckon they might have taken that as a very non-negotiable, subtle hint that CMAX Communications perhaps should get that contract. As further evidence of that, I will turn to page 14 of the report and I will read out paragraph 17:

The basis on which the PM&C delegate made the decision that engaging CMAX Communications represented value for money was not clear from the departmental record that had been made. In particular, PM&C’s documentation did not accurately record the way in which CMAX Communications was identified to it as a possible provider, or the inquiries it undertook to satisfy itself that engaging CMAX Communications represented value for money.

Well, Senator Bishop, game, set and match, my friend, because the departmental records did not in any way refer to that, because the departmental records could not refer to that without giving the game away as to who made the recommendation. Of course the records were not there because they were not prepared to put in writing where the recommendation came from. So not only have you—the government and the Prime Minister’s office in particular—compromised due process and compromised transparency; you have also compromised Prime Minister and Cabinet, the very body that should be providing free and uninhibited advice to the Prime Minister’s office. In the way that you have handled this, you have effectively nobbled them and compromised them severely. For that you should accept great responsibility and you should acknowledge blame.

I give the government due credit for their spin last night in relation to this. It was a masterful piece of political spin from a government that has just about got this 24-hour spin cycle down pat. I will give them their due credit: they are very good at spinning. In fact, I think this government are the masters of spin. They are indeed the masters of spin. But what we did find out from the Auditor-General’s report, which we could not find out from a couple of Senate estimates hearings and a number of other hearings, was this. We finally got confirmation that the recommendation for CMAX Communications was from the senior adviser. Why all the prevarication? Why go through two lots of Senate estimates? Why were you hiding that fact? I will tell you why the Labor Party were hiding it: they knew it did not pass the sniff test. This did not pass the political sniff test. It is another example of the gross arrogance of this government that you thought you could get away with it. You thought you could give a contract to a Labor mate and get away with it. It does not pass the sniff test and you have been caught out. It does not matter what spin you put on this; it just does not look right and you should acknowledge that.

The report went on to refer to a report to this marvellously independent group—the height of independence, the height of transparency!—affectionately known as the Government Staffing Committee! Of course, the Government Staffing Committee is made up of senior cabinet ministers. They were looking into the activities of a senior employee of another one of their fellow cabinet ministers. I am sure that the public would believe they were certainly going to have an open and transparent view of that! What they said was:
... that there was no evidence found of any involvement on the Defence Minister’s Adviser’s part of any influence exerted by him ...

That was never the issue. The Government Staffing Committee was looking at an issue that was not there because the Government Staffing Committee did not want to look at the real issue. What a lot of nonsense. This was never the allegation. The activities of the senior adviser in the Minister for Defence’s office was never the cause for concern. That was not the issue. The issue was the level of influence out of the Prime Minister’s office from a senior adviser giving taxpayers’ money to a government mate, to a personal mate, to the employee of a cabinet minister. That was the issue; it was nothing to do with what Mr Taubenschlag was or was not doing. But we got a rare admission, which I presume was pulled from them kicking and screaming. Even this outrageous group, the Government Staffing Committee, who should never, ever have been looking at this matter, actually noted in the report:

... that there was the possibility of an appearance of conflict of interest ...

There most certainly was. What a gross understatement. Indeed, evidence taken under oath by ANAO supported those conclusions.

There are a number of other matters in here which I think are cause for concern. What we found from this report was not the spin the government put on. If you look behind the report you can see what really happened on this occasion. There were, as the ANAO observed—and I refer to the report:

... a number of shortcomings with PM&C’s contract management. In particular, the contract document did not specify the name of the individual that was to deliver the contract services; and the total amount paid to CMAX Communications ($56 358 plus GST) exceeded the maximum amount specified in the contract ($52 000 plus GST),—

I can see Senator Bishop looking at me and I will get this across so he can have a look at it himself—

and there is no evidence that this issue was identified by PM&C prior to the payment being made. So we have this cloak of secrecy surrounding the CMAX Communications contract. The government will say: ‘Oh, look, it’s only $60,000. What’s all the fuss about over $60,000?’ I don’t think it matters whether it is $6 or $6 million, quite frankly. It is the principle of this issue which is at stake. Do not think that the Auditor-General’s report in any way clears the government. I am glad that the Special Minister of State has now come in; his staff have obviously alerted him to the debate and I am pleased to see him.

If you look at the principle of this, it is not about $6 or $6 million; it is actually about the appropriateness or otherwise of a senior adviser in the Prime Minister’s office recommending one person only to Prime Minister and Cabinet for a $60,000 effective contract. That is why, as I said earlier on, this report does not exonerate the government. This does not exonerate the activities of the Government Staffing Committee. It does not exonerate the people involved in this. What it does show quite clearly is that the openness and transparency upon which this government said it would act if elected is not there. It is not there. This was not open; it was not transparent. That has been shown by the Auditor-General’s report, despite the marvelous spin of the government last night in relation to this. The Labor Party has compromised Prime Minister and Cabinet and has completely compromised the principles upon which it was allegedly elected.

Senator MARK BISHOP (Western Australia) (11.27 am)—Part way through his contribution, Senator Ronaldson said words to the effect of ‘no matter what the spin, it does not look right’. Sometimes if you look a
little bit harder and read the actual language in the report, things become manifestly clear. In terms of the contribution just made and the CMAX report tabled late yesterday or early this morning, one just needs to make a few succinct comments. There were two critical findings. Firstly, there was no undue influence by the Prime Minister’s office—that is, there was no improper behaviour and a clean bill of health in terms of process and conduct. Secondly, the costs of the contract were appropriate and compared appropriately to like contracts. The cost of the contract, coming under $80,000, did not require the contract to be let out to public tender. The only recommendation by the ANAO went to what can properly be categorised as minor matters relating to file maintenance and record keeping. So in respect of all of the persons involved in this alleged affair, none have been found at fault and all have been cleared.

Let us now turn to the substance of the bill before the chamber, and I speak in support of the Auditor-General Amendment Bill 2008 [2009]. I want to address four key areas in respect of this bill: firstly, the background to the bill; secondly, the development of the ANAO; thirdly, oversight functions of the ANAO in the procurement processes within the Defence Materiel Organisation; and, finally, government initiatives that will enhance oversight and risk management within the Defence Materiel Organisation, or the DMO.

Firstly, the amendments in this bill stem from a review by the Joint Committee of Public Accounts and Audit back in 2001. They are technical in nature and received bipartisan support in that particular report. As a result, the amendments are not controversial. Madam Acting Deputy President, with your indulgence, I would like to briefly reflect on how we have arrived at this point. The Auditor-General Act 1997 has a history of bipartisan support. The act had its genesis in the work of the Joint Committee of Public Accounts and Audit. It is true to say that the office of Auditor-General was re-established as a result of direct and lengthy deliberations and considerations by the JCPAA. Between 1989 and 1996, the JCPAA produced three substantial reports into the role and modernisation of the office of Auditor-General. The committee looked specifically at how the functions of the Auditor-General could be improved. The main criteria was to provide functional independence for the committee’s and the organisation’s deliberations from executive government. The Keating government, back in 1993-94, endorsed the work of the JCPAA, and a bill was introduced in 1994 which gave effect to this work. Regrettably, that bill lapsed when parliament was prorogued ahead of the 1996 election and it fell to the incoming government to pick up the bat. That leads me back to the present and the bill before the chair today.

The aim of this bill is to improve oversight and accountability in governance while continuing to maintain procedural fairness. To that end, the bill will, firstly, provide clarification of the distribution of performance audit reports, and amendments will mandate that the Auditor-General must provide a copy of the final report to the chief executive of a department. Secondly, the Auditor-General is empowered to provide a copy or an extract from the report to any person or company with a special interest. Thirdly, discretion will allow for the distribution of reports or extracts by the Auditor to ministers who have a special interest. And, fourthly, provision is made for the inclusion of all written comments received on a proposed report to be included in the final report. The fourth point in particular is a most useful new development.

Next it extends existing disclosure and confidentiality provisions to allow disclosure
of information to assist in the conduct of a performance audit. It prohibits recipients from using or disclosing that information and it provides that an offence is not committed if the Auditor-General has consented to the use or disclosure of the information. It must be said that these formal amendments bring into line much of what is currently internal administrative practice. They also reflect the recommendations of the 2001 JCPAA report. The bill clarifies the position of certificates issued by the A-G about disclosure of information that may be contrary to public interest. Finally, it updates offences and penalty provisions in accordance with the current criminal law policy.

Ultimately, this bill is about improving transparency, accountability and oversight of government. It meets the current government’s commitment to shine a light in the dark corners of our democratic processes and institutions. We came to government with a comprehensive agenda to increase public accountability and transparency at all levels, and our vigilance necessarily must extend to accountability systems that operate within departments. The point is that the Auditor-General plays a key role in the accountability framework of government, and in that respect the ANAO is a most critical organisation. Over many years in this place, I have had extensive dealings with the ANAO, particularly in respect of my experience in defence, foreign affairs and veterans’ matters. These departments have responsibility for large sums of taxpayer dollars. They also have a responsibility for implementing policy in the areas of national security and for care of our returned service personnel. The effectiveness of the ANAO lies in its expertise in getting to the bottom of whether we get value for money from those departments in the public sector. Its role in exposing waste is valued by members of this chamber, of all persuasions, as well as the public, and ANAO performance audits are the lifeblood of a lot of work done in this particular chamber.

Also, audits inform our opinions on what works and what does not. An obvious example of waste revealed by the ANAO, of what does not work, was the previous government’s Regional Partnerships program. On the other hand, defence procurement shows the valuable work of the ANAO in bringing about sustained improvements in government spending. The DMO are responsible for the delivery of goods and services that equip and sustain our Defence Force. They supply everything and anything from boots to body armour, from tanks to jet fighters. Once a need for a defence capability has been identified, the DMO plays a pivotal role. From the early two-pass approval process, it looks at cost effectiveness of platforms and the feasibility of life extension programs or upgrades. Assessments will include the ability of Australian industry to support the new capabilities to ensure we maintain defence self-reliance. They also provide costings for through-life support of the capabilities and schedules estimates. For this reason, the DMO is the largest project management, engineering and logistics organisation in Australia. As a general rule, minor procurement items have a cost of less than $20 million and major items have a cost in excess of $20 million. Minor items represent less than two per cent of acquisition budget. That is obviously because complex platforms such as the JSF and air warfare destroyers have a price tag of several billion dollars.

In the next 10 to 15 years, it is estimated that 80 per cent of Defence’s fighting assets will be replaced or upgraded. New generation military hardware is on the cutting edge of a lot of new technologies. There is also the constant problem of integrating highly complex systems into existing platforms—all to be done within specified time frames. There
is no point in continuing with the schedule slippages that result in capability delivery several years too late and out of date, which has become somewhat the norm in recent years. A classic example of that is, of course, the Seasprite helicopter project. It is an example of everything that can go wrong in the procurement process. That project involved an underestimation of the technical risks involved in integrating highly complex combat systems into 30-year-old copter shells. There were changes to specifications and protracted contract negotiations. There was also no proper schedule risk assessment. It was always a disaster waiting to happen.

That brings me to the core function of the DMO: risk management and risk pricing. There is a dollar attached to every risk. The failure to identify and mitigate risk levels significantly increases the cost of acquisitions. It can also lead to delayed delivery, which can compromise capability and operational safety. The DMO operates in a complex regulatory framework. Along with legislation, there are policies covering payments, open competition and mandatory reporting. There are internal audit services provided by the Inspector-General of the Australian Defence Force and external audit services provided by the ANAO. Through the work of the ANAO today, we see an improvement in decision-making processes based on lessons learnt. In this regard, the ANAO’s DMO Major projects report 2007-08 provides a relevant, concrete and up-to-date example of their work. That report was tabled last November and is instructive of the utility of the ANAO.

Defence procurement is a significant area of government spending and constantly attracts a great deal of public scrutiny. In 2007-08, the DMO spent something like $4 billion on major and minor equipment acquisitions. As I said before, those acquisitions are often complex and expensive. Generally, we pay a significant amount of the cost upfront. Priority, of course, is always given to current operations and the need to properly provide for and protect our people in the field. But it is not hard to see why problems occur. In 2003, the Senate Standing Committee on Foreign Affairs, Defence and Trade recommended that the Senate ask the Auditor-General to produce an annual report on the progress of major defence projects. A model for such a report could then be found in the work of the United Kingdom’s National Audit Office. A similar recommendation from the JCPAA followed in 2006, the goal being to improve transparency and accountability in major acquisition projects within both Defence and, more particularly, the DMO. It is fair to say that the recommendations of both committees followed years of reviews of procurement projects by the ANAO—reviews that highlighted a litany of schedule slippages and budget blow-outs.

The Rudd government committed to an annual report process in the lead-up to the last election. We followed through on that commitment with funding in the 2008 budget. The first annual report, as I said earlier, was tabled last November, and that has a list of some nine major acquisition projects that have been reviewed to date. It is a comprehensive cross-section of defence capabilities, major and minor, over the three services—Army, Navy and Air Force. There will be another 21 projects included in subsequent annual reports. It is a benchmark report—that is, it will provide a solid base from which to judge the effectiveness of project management by the DMO in years to come. The nature of the review and the report that was tabled last November was to develop proper processes within the DMO—processes that test and improve performance in the risk management of major acquisition projects.
The role of the ANAO has been to work collaboratively with the DMO to review that progress to date. Progress is going to be measured against cost, schedule and technical performance. It is not a combative or adversarial process. Its value lies in the aim of improving defence project management. To complement this work, the current government has announced the establishment of the Defence Systems Integration Technical Advisory, a joint venture between the DMO and the Defence Science and Technology Organisation. It will further support the monitoring and assessment of project risks. The task of this new unit is to monitor and assess integration risk as well as to perform systems engineering analysis—the two critical failures of the last 10 years. They will also evaluate alternative capability solutions. Presumably, this latter process is part of the first stage approval process in line with both Kinnaird and Mortimer recommendations—that is, the new unit will contribute to risk reduction efforts primarily in the early stages of major projects. This is done in the lead-up to final government approval as part of the two-part cabinet process.

Sometimes, rather arcane and technical press releases understate the significance of a particular development. That is certainly the case with the creation of this new organisation, the Defence Systems Integration Technical Advisory body. What has been the nature of major failure over the last 15 years in this area? The failure has been both of a conceptual nature and technical application. By this I mean that there has been a lack of comprehension of the degree of risk inherent in a project or in a critical aspect of a particular project. Frigate upgrades, helicopter purchases and communication systems development were all underappreciated, as were the scope of risk, the size of risk, the length of risk and the difficulty of integration as risk factors. Because of this misunderstanding or underappreciation of risk mitigation, strategies were not considered as the norm or adopted as the norm.

In the private sector the sheer size and consequences of this risk appraisal underappreciation would have had adverse consequences. Consequences could have included the ending of careers, serious capital write-offs in companies and the loss of expertise and notoriety. In some more notable cases the consequences would have been company busters.

As it stands, in recent years in government agencies, the risk and the cost were simply transferred to taxpayers. This is because at inception there was underappreciation or no appreciation of the magnitude of risk by relevant government agencies. Over time I cannot think of a more protracted or serious failure. If there is any doubt on that score, simply look at the file on the Seasprite helicopter purchase.

In my view, this new DSI-TA has the capacity to be of major benefit to the DMO and the government in the defence area. Over time it should radically impact on procurement practices within those organisations. I shall follow its work with interest and seek regular updates on its work, role, performance and outcomes at estimates.

Australia is not an orphan in its experience of failures in defence procurement processes. The US, the UK, Canada and much of Europe have all found themselves in the same boat. However, it is the quality of our accountability and oversight process that suggests we might be set apart in the future.

The amendments in this bill will strengthen the independence and effectiveness of the office of the Auditor-General. It is an issue dear to the heart of this government. Of course other lessons will be learnt and further improvements will be made in the future. But this is a critical step in the
right direction—a step toward restoring public trust in government and governance. I commend this bill to the Senate.

Senator FAULKNER (New South Wales—Special Minister of State and Cabinet Secretary) (11.47 am)—I thank Senator Bishop for his interesting contribution on the Auditor-General Amendment Bill 2008 [2009], which implements the recommendations of the Joint Committee of Public Accounts and Audit, following its inquiry into the Auditor-General Act. I certainly commend this legislation to the Senate.

I must say that I was disappointed that Senator Ronaldson, the shadow special minister of state, took the opportunity to use debate on this important, and I think non-controversial, legislation to politicise the Audit Office by raising the audit report that was tabled yesterday into the CMAX issue. This was only done because, when the audit report into the CMAX Communications contract for the 2020 Summit was tabled, Senator Ronaldson did not see fit to come into the chamber, as is ordinarily the case, and debate the report at that time. There was no comment from the opposition. There was no comment, critical or otherwise, from any senator in this chamber. But, having failed in that responsibility, Senator Ronaldson tried to use the second reading debate of this important legislation to raise issues in relation to that report. I think this was a mistake by Senator Ronaldson, and I am about to outline to the chamber why.

It is not the only mistake Senator Ronaldson has made, because he also issued a press release yesterday in relation to the ANAO report, which was headed ‘ANAO report confirms Rudd’s $60,000 CMAX rot.’ I read this press release carefully as one does read a press release from a shadow minister. And, as Senator Ronaldson suggested, I read the report of the ANAO. And when I read Senator Ronaldson’s press release, which quoted the report, I thought to myself, ‘Senator Ronaldson’s had a few memory lapses.’ Let me just go through it for the benefit of the chamber. Let me quote directly from Senator Ronaldson’s press release. It said:

The ANAO report makes it clear: “... an employee of CMAX Communications ... had been recommended to them [PM&C] by a Senior Adviser within the Prime Minister’s office’.

That is the first of three quotes in Senator Ronaldson’s press release. What does paragraph 14 of the report actually say? It actually has words before those words that Senator Ronaldson quotes. It says:

In these circumstances, it was reasonable for PM&C to consider the credentials of an employee of CMAX Communications who had been recommended to them by a Senior Adviser within the Prime Minister’s Office involved with organising the Summit.

That was very misleading from shadow minister Ronaldson. It is very irresponsible of shadow minister Ronaldson not to have given the full sentence for the benefit of our friends in the fourth estate. They may not have had time to go to the report like I have; they may not have read the full sentence that commences paragraph 14 of the Auditor-General’s report. That was the first quote of three from Senator Ronaldson.

Senator Mark Bishop—Are there more?

Senator FAULKNER—There are. You will be interested in them, too, Senator Bishop. The first paragraph of quotes begins ‘The ANAO report makes it clear’ and I have read that out. The second paragraph begins with ‘Moreover’. It reads:

... there was the possibility of an appearance of conflict arising from the Adviser’s [Taubenschlag] continued connection with CMAX Communications after he was employed as a member of Ministerial staff. Subsequent inquiries, and evidence taken under oath by ANAO, supported these conclusions.
Remember: ‘The ANAO report makes it clear’ and ‘Moreover’.

You would think, wouldn’t you, that Senator Ronaldson, in quoting that paragraph, which is 2.35 from the report, would have again quoted the full sentence? I will read it and also the preceding sentence to give context. I will also outline to the Senate for the benefit of Senator Ronaldson and any member of the fourth estate who might be interested that the report referred to is the first report provided to the government staffing committee undertaken by Mr Peter Hamburger. It was not the ANAO report. But Senator Ronaldson does not say that. He pretends that it is from the ANAO.

This is the context. I will quote from that part of the ANAO report in full directly. I will read the sentence prior to the one that Senator Ronaldson quotes in part and then the full sentence part-quoted by Senator Ronaldson. It is from page 44 of the report, paragraph 2.35. It reads:
The report concluded that there was no actual conflict of interest arising from the Defence Minister’s Adviser’s connection with CMAX Communications and his employment as a member of ministerial staff.

It goes on to say:
Nevertheless, the report noted that—
and on we go with Senator Ronaldson’s words—
there was the possibility of an appearance of conflict of interest arising from the Adviser’s continued connection with CMAX Communications after he was employed as a member of Ministerial staff.

It goes on:
Subsequent inquiries, and evidence taken under oath by ANAO, supported this assessment.

Do not tell part of the story. Do not give us half the information. Do not put a few little dots in front of one sentence and fail to include the previous sentence. Let us have all the facts and all the information. Let us have the full report on the table. Let us have a fair dinkum debate about these issues. That was the second quote from shadow minister Ronaldson, the shadow special minister of state, about the ANAO report on the CMAX contract.

What about the third one, which is headed ‘finally’? I will read it. This is Senator Ronaldson allegedly quoting the ANAO report:
The basis on which the PM&C delegate made the decision that engaging CMAX Communications represented value for money was not clear ...
given the sensitivities which attest to suggestions of this kind from Minister’s offices, it will be in an agency’s interests to have made its own inquiries, explicitly consider more than one option and accurately document its decision-making process.

What are we to make of this third and final quote from Senator Ronaldson? As invited by Senator Ronaldson, I have read the report. I can identify where the first part of Senator Ronaldson’s third quote comes from. It comes from page 14 of the report, paragraph 17. The first part of Senator Ronaldson’s quote was from this part of the ANAO report, which reads:
The basis on which the PM&C delegate made the decision that engaging CMAX Communications represented value for money was not clear …

The report goes on to say:
… from the departmental record that had been made.

That is in paragraph 17 on page 14 of the report. What Senator Ronaldson did not say, again, is that the report went on to say:

In particular, PM&C’s documentation did not accurately record the way in which CMAX Communications was identified to it as a possible provider, or the inquiries it undertook to satisfy itself that engaging CMAX Communications represented value for money. That said, ANAO analysis indicates that the fee paid by PM&C was comparable to contracts entered into by CMAX.
Communications with Australian Government agencies prior to the Summit, as well as being reasonable having regard to rates charged by media and communications consultants in other contractual arrangements examined by ANAO in recent years.

So, again, it is part of the picture, part of the sentence, part of the story. But it is even worse than that, because the third quote from Senator Ronaldson—and this is complex and difficult to follow—was:

The basis on which the PM&C delegate made the decision that engaging CMAX Communications represented value for money was not clear … given the sensitivities which attest to suggestions of this kind from Minister’s offices, it will be in an agency’s interests to have made its own inquiries, explicitly consider more than one option and accurately document its decision-making process.

The second part of that quote is not even from the same paragraph as the first part. The first part of his quote is in paragraph 17 on page 14 of the report, and you will find the second part in paragraph 12 on page 13. The first part of the quote misses a critical word and a critical sentence, and the second part is a partial quote from a different paragraph of the report. This is the part of his press release that says:

… given the sensitivities which attest to suggestions of this kind from Minister’s offices, it will be in an agency’s interests to have made its own inquiries, explicitly consider more than one option and accurately document its decision-making process.

The previous sentence to that, in paragraph 12, was not said. I will quote it in full:

Further, there is no restriction on Ministers’ offices suggesting particular consultants for consideration, providing it is clearly understood that the decision is a matter for the agency (taking into account the requirements of the CPGs). However, given the sensitivities—

and on it goes. It is part of a sentence, without the previous sentence, from the end of paragraph 12 of the report, combined with—

as the first part of Senator Ronaldson’s quote—the first part of a sentence but not the second part, from paragraph 17. In Senator Ronaldson’s quote the part from paragraph 17 appears before the part from paragraph 12.

This is not a serious response from Senator Ronaldson to an Auditor-General’s report. This is an attempt to fudge the truth and I say, respectfully, that that is not on. I happen to think, given this tripe was reiterated in the chamber by Senator Ronaldson today, the Senate is owed an apology and the Auditor-General is owed an apology. I happen to think that if any suckers up there in the fourth estate swallowed Senator Ronaldson’s lines hook, line and sinker—and a few did—then they had better think again the next time a press release comes out from Senator Ronaldson about a matter so serious. That press release is a disgrace. It is an absolute disgrace, because the issues involved here are so important.

It is quite extraordinary in a situation where the opposition itself asked the Auditor-General to inquire into this matter. I am old-fashioned: I happen to think that is fair enough. It is fair enough, if they are dissatisfied about a government contract and the way that contract was administered, that the Auditor-General be asked to inquire, which he did and did thoroughly. It was the Liberal Party, Senator Ronaldson and Senator Johnstone, who asked the Auditor-General to conduct this audit. Fair enough. I can say and have said in this chamber before that the government gave the Auditor-General its full cooperation, as it should. But, having sought the audit, the opposition should accept the Auditor-General’s findings. I always did in opposition. I believe the current opposition should adopt the same standards.

On this CMAX issue, the Auditor-General has found no improper conduct on the part of
the Prime Minister’s office or department. The report in fact found:

… it was reasonable for PM&C to consider the credentials of … CMAX Communications …

There was no pressure on PM&C to appoint CMAX. The decision to appoint CMAX was made by PM&C alone and the fee paid was reasonable. Of course, it also says that there were deficiencies. I acknowledge that. Let us acknowledge that and make sure they are fixed up. PM&C has been frank. It has accepted that there were inadequate procedures and it has taken action, as stated in the report, to remedy them. That is the full truth, not part-truth, so let us hear no more spin from Senator Ronaldson.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

WHALING

Senator LUDLAM (Western Australia) (12.08 pm)—I seek leave to make a statement in relation to the vote this morning on general business notice of motion No. 346, standing in the name of Senator Siewert.

Leave not granted.

APPROPRIATION (NATION BUILDING AND JOBS) BILL (No. 1) 2008-2009
APPROPRIATION (NATION BUILDING AND JOBS) BILL (No. 2) 2008-2009
HOUSEHOLD STIMULUS PACKAGE BILL 2009
TAX BONUS FOR WORKING AUSTRALIANS BILL 2009
TAX BONUS FOR WORKING AUSTRALIANS (CONSEQUENTIAL AMENDMENTS) BILL 2009

COMMONWEALTH INSCRIBED STOCK AMENDMENT BILL 2009
Second Reading

Debate resumed.

Senator ABETZ (Tasmania) (12.09 pm)—On 21 April 2006, Australians celebrated debt-free day. That was the first time in many, many years that Australians were able to wake up to the news that Australia was no longer in debt. The government, after 10 years of sustained, sound economic management, had delivered the nation from the burden of debt. But 3 February 2009 will go down in history as the date on which Labor reimposed a burden of debt upon our great country.

It is very instructive to look at the history and development of the circumstances in which we find ourselves. This chameleon Prime Minister went to the election saying, ‘I am an economic conservative—always have been, always will be.’ At his campaign launch he told the Australian people that the reckless spending of the Howard government must stop. That was only 18 months ago. Indeed, in the May budget, only 10 months ago, Labor said there was an economic imperative to cool down the economy because the Liberals had so deliberately and mischievously overheated the economy. They said that the inflation genie was out of the bottle and that Australia faced the devastation of an overheated economy. To deal with that problem, Labor told us that they had to introduce—and they did introduce—$20 billion worth of new taxes. They took $20 billion out of the economy to cool it down, because it was overheating. How wrong Labor and Mr Rudd have been, time and time again. Today, when we are going into debt to the tune of $200 billion to stimulate the economy, one wonders why $20 billion was taken out of the economy through increased taxation only 10 months ago.
Madam Acting Deputy President, do you remember what our slogan was at the last election?

Senator Sterle—Whatever it takes to get elected!

Senator ABETZ—Senator Sterle, you are wrong. It was, ‘Go for growth’, and it was ridiculed by Labor. It was ridiculed by the economic commentariat. It was ridiculed by journalists. What are the government trying to do today? They are trying to go for—you have guessed it—growth, but by taking this country to huge and unprecedented debt levels. What this shows is knee-jerk, stop-start economic reactions. They have no idea. One day the economy is overheating and we have to pull out $20 billion by way of tax. Ten months later they are in this parliament saying, ‘We need an extra $200 billion by way of debt to keep the economy going.’

Who was it who predicted the economic tsunami before the last election and said tough times were ahead, that we did have to go for growth and that, whilst the economy might be slightly overheating, that would be a good buffer for us before the circumstances in which we now find ourselves would hit? That is what we said, and we were ridiculed. Senator Faulkner, in the wrong seat, is sitting there laughing. That is what he did. Like all the Labor people, during the election campaign he ridiculed the coalition government of the time. But within 18 short months we have been proven correct in our diagnosis and our remedies. All the commentators are now strangely silent. All the commentators are now strangely silent. They have forgotten about the coalition warning of economic devastation, of an economic tsunami coming our way. They have forgotten about our warnings. They have gone strangely silent.

Despite Labor getting it so badly wrong, we took them on trust in relation to the first stimulus package. We were told the first stimulus package, of $10.4 billion, was needed to create 75,000 jobs—I repeat: to create 75,000 jobs. Madam Acting Deputy President Moore, as you would well know, when we asked in this chamber yesterday or the day before if Senator Conroy or the government could point to just one job that was created by this $10.4 billion stimulus package, Labor could not. We took them on trust and we allowed their $10.4 billion package to go through on the basis that it was not a rushed job or a botched job, that it was carefully thought out and that 75,000 jobs would be created. Labor no longer make that claim, and the reason they do not is that there is not a skerrick of evidence to suggest that that outrageous claim was right or that it has come to fruition. The sad fact is not that Labor cannot point to 75,000 jobs; they cannot even point to one job.

Clothed with this great success of the $10.4 billion package, Labor are saying to us and the Australian people: ‘We know the first package was a complete failure but, trust us, we will now spend four times as much—we will spend $42 billion.’ So I got out the pocket calculator and thought: ‘Right, if you spend four times as much, and it was 75,000 jobs for $10 billion, that means the creation of 300,000 jobs. You beauty!’ I then looked in the fine detail. What is Labor’s promise now? That $42 billion will not create one extra job but it will support up to 90,000 jobs. So whilst they put the ‘90,000 jobs’ out into the marketplace, the old weasel words have come in: it is no longer ‘creating’ and it is now ‘support up to 90,000 jobs’. I would like to know what the lowest parameter is. I have got a funny feeling it is a lot, lot lower than 90,000 jobs.

This package clearly is not an economic package; it is a political package. Yes, it is concerned about job protection—the protection of one man’s job, the Prime Minister’s. But the arrogance of that man—which I think would even make former Prime Minis-
ters Whitlam and Keating blush—is such that whilst this very important package, which demanded an address to the nation, was being debated by the parliament he said: ‘I couldn’t be concerned about it. I’ll go home to the Lodge and have a good night’s sleep.’ That is how concerned he is about the economy. Whilst he was asleep he did not hear the contributions that were being made. He was not interested in the role of the parliament. Indeed, he wanted a $42 billion package to go through both houses of parliament within 48 hours. What is the urgency? Why can’t the parliament spend at least a week considering $42 billion? The Senate has now voted for that, against the wishes of the Australian Labor Party. But what was Mr Rudd’s position before the last election? I thought part of his mantra was Senate scrutiny, that it was so vital and that the Howard government had been treating the Senate with contempt. But never, never in the 11½-year history of the Howard government was there a proposal to raise $200 billion worth of debt on the back of the Australian people and then have it discussed and put through within 48 hours.

Mr Rudd does not only sleep while the parliament is debating. Clearly, he was asleep whilst the warning signs were appearing on the horizon. We warned about them before the last election, and he slept all through it as though he was not aware of it, as though nothing was happening. He seems to have slept through all the warnings that we gave. He misdiagnosed the state of the economy so badly before the election and as late as May last year at the time of the budget that I say as an aside that if he were a doctor he would be sued for medical negligence and the case would be open and shut. But having so misdiagnosed the economy he is now telling the Australian people: ‘I’ve got the prescription that you need. Have a little taste.’ And, yes, the prescription does taste sweet, but that is the sugar coating on a very, very bitter economic pill. We acknowledge that, whilst people are still sucking on the sweet sugar coating of this economic pill, they will say, ‘This is nice,’ and enjoy it. But we are concerned as to the economic consequences when the bitter part of the pill is tasted by the Australian people—and the bitter part of this pill will be when the Australian people are faced with the burden of paying back this debt. Make no mistake, it took the Australian people a full decade to pay back $96 billion. How long will it take them to pay back $200 billion? Indeed, yesterday at question time the Minister representing the Treasurer could not even tell us what the interest bill would be.

When the average homebuyer goes to a bank to borrow money, they ask, ‘Can I have a loan for so much? What will the interest repayments be and how long will it take to pay off the debt?’ It is clear that Labor have not asked any of those fundamental questions. They cannot tell us about the interest rates, they cannot tell us when the debt is going to be paid off; it is going to be into the never-never. But one thing we do know is that it took the coalition 10 years to pay off $96 billion worth of debt. It stands to reason that it will take a full generation of Australians to pay off this $200 billion worth of debt. That is why, in pursuit of the interests of the next generation and looking to the future, we are saying that at this time this is an irresponsible measure. At this time there is no evidence before us as to why it should be $62 billion, $42 billion or $22 billion, or why $200 billion is needed as the bank card limit. None of that has been put before us. We are entitled to have a look at that, we are entitled to examine it and we are entitled to ask questions.

As I said, it is always a difficult task, when people are having a good time, to remind them that there might be a hangover the next morning—so I am told. At the mo-
ment, people are looking at the package, I would imagine, and they are saying, ‘Sounds good to me.’ The farmers, for example, will get $950, but the cost to government—indeed, to every man, woman and child in this country—as debt will be $9,500. It is a pity that Labor, in their advertising and direct mail, will not tell the Australian people that. Do you actually want $950 in exchange for a $9,500 debt that your children will be paying off? That is the irresponsibility in this package and that is where we believe that further questioning needs to take place. We will be pursuing those questions in the Senate Standing Committee on Finance and Public Administration because we want to know how pink batts or boom gates, worthy causes though both are, are going to provide the productive stimulus to the economy to prepare us for the future. I think we might be able to spend our money in a better, more targeted and more substantial way for the future. That is why the alternative Prime Minister, Mr Turnbull, has set out a blueprint for an alternative approach. I will not repeat that today because time is running short, but it is a blueprint that would in fact provide the economic stimulus that is actually needed and have a long-term ongoing benefit.

Indeed, we as an opposition have said, ‘If this is a crisis as described by the Prime Minister, it would have been good for the Prime Minister to have consulted with the opposition and discussed it with them.’ Indeed, in one of the most high-handed chapters of Australian history thus far, he has said: ‘It is my way or the highway. I want this passed within 48 hours—no discussion, no committee stage; just ram it through the parliament.’ When we say, ‘Slow down a bit and let’s discuss this; let’s see if we can get some common ground,’ he says, ‘No, it is my way or the highway.’ Yet his very own speech says there is no silver bullet—unless it is Mr Rudd’s of course. What we have is arrogance and incompetence, which makes for a very dangerous cocktail as we move into these uncharted economic times. But the Liberal Party and the coalition have a very strong record of sound economic management. We are concerned also about ensuring the future of the next generation. We are concerned that we do not spill out all the money straight-aways and then scratch our heads later.

Indeed, I confess I am somewhat confused. We have been told that this situation has arisen because of the credit crisis, the credit squeeze, and that it is too difficult for the private sector to access credit. So what does the Australian government do? Hit the market for $200 billion. That is going to ease the credit squeeze, isn’t it! That is really going to make it easier for small businesses to borrow or for other people to get a home loan! It is really going to help by cutting $200 billion out of the economy! On page 6 of the Updated Economic and Fiscal Outlook statement—and I look forward to meeting officers of Treasury and Finance this evening just to ask a few questions of them—we are told, interestingly, about the first stimulus package that it was designed for spending and to stimulate. It says:

To the extent that households save part of their payments and tax bonuses, this will help repair household balance sheets, provide a boost to confidence and support a return to more normal levels of consumption over time.

I have an idea: how about the government saving some of its money and getting all of those benefits it has referred to? Why does it have to go into debt and give it to people for them to save for that outcome?

Many coalition senators will speak on the flaws in this package and about our alternatives, but one thing we are sure of is that we will protect future generations from this huge $200 billion debt burden. That is why we as a coalition, every man and woman among us, concerned about the future, knowing we will
take a hit in the polls and knowing it is unpopular in the short term, will stand up for our nation and oppose these measures. (Time expired)

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (12.29 pm)—I rise to speak on the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and related bills. When we first took this prudent and, to be honest, courageous decision, as the fourth estate would agree—and that is a euphemism for their believing that we might be doing wrong to oppose this package—it was very interesting to hear the reports everywhere about how foolish that is and to hear people saying, ‘Don’ t you understand the views of the public?’ It is interesting to see in a Herald Sun survey that, as we speak, 10,384 votes have been registered. That is a substantial sample and, surprise, surprise, 54 per cent of those people believe that this package is irresponsible. I have complete faith in the Australian people. They are not foolish. They can see through this. Pink batts, boom gates, school halls—goodness gracious me! Is this what we have descended to in this place? This is a government that in the 1930s would not have built the Sydney Harbour Bridge; instead, it would have loaded us up with millions of cans of spam. It would not have built the Snowy Mountains scheme; instead, we would have had thousands of acres of vinyl curtains.

This is a crazy, tokenistic and ridiculous appropriation of the nation’s funds for causes that are completely unrelated to the purpose they are to achieve, which is the delivery of job security. Now we have to go through these bills with the gun-to-our-heads approach of Mr Rudd. Mr Rudd said that this is like a form of economic open-heart surgery, but he has the clock on us. If we don’t do it in time he is just going to say, ‘Sew them up; that’ll do,’ regardless. There is a sense of complete arrogance in this approach. But you cannot gyp people, because they know exactly what is going on. You are spending their money.

All we can judge this package by is the last one, and the last one was a complete and utter flop. There was $10.4 billion and the promise of 75,000 jobs. Where are your 75,000 jobs? Then the government got people from the Australian Retailers Association to stand up and say, ‘It was great.’ Well, of course! That organisation is representative of the biggest owners of gaming machines and hotels in Australia, so of course they would be happy with it. They are looking forward to the government delivering some more largesse in their direction.

But is this package going to help working families? At the moment we are being overloaded with emails from people who are scratching their heads and wondering what on earth is going on. This email from Mr Tony Watts is typical—and I have rung him to confirm that I can read it out. He says, ‘Once again the ALP has seen fit to support working families earning up to $100,000 per annum whilst ignoring the plight of carers and pensioners in this latest economic bailout.’ On the justice issue, people are being left behind. People are looking through the package and they are all coming up with the same conclusion: those who are in a position of comfort get a tokenistic payment and those who need it have been left out. This is supposed to stimulate the manufacturing economy in Australia. It is not going to stimulate the manufacturing economy in Australia; it is going to stimulate the manufacturing economy in China, South Korea or somewhere else. All it is going to stimulate is the bottom line of certain retailers.

I am an accountant, and my experience in owning an accountancy practice for 10 years and before that in banking is of two expressions. One is the expression of the person
who has got the loan—their sense of joy. They have got this loan; they have got their hands on this money. That is in no way matched by the sense of concern and the grimace when they are trying to pay it back, when they are faced with the reality of having to pay the money back. As this government goes forward to launch Australia into a possible $200 billion debt, I say to them: you have not fooled the Australian people. They know what this will do and the pressure it will put on interest rates. For every person who has a million-dollar facility, because of the absolute and overwhelming participation of the Australian Labor government, every one per cent increase will cost them $10,000. So a $500,000 house facility will cost people $5,000 a year for every one per cent that interest rates are pushed up because of this overwhelming engagement in the marketplace. For the sake of $950, people will be paying $5,000 per year for their $500,000 facility for as long as this debt remains. And if you force it up by two per cent that amount will be $10,000.

People are not foolish. They know this will come home to bite them; they can see that. We have to be more prudent. There is obviously scope for a stimulus package, but it must be one that can be seen to return something to the Australian people. It must be one in which we can see in its construction an income stream—an income stream from owning it and the capacity in the future to recoup some of the debt and to refloat the economy if we need to sell the asset. But the government is just launching us, full scale, into this quantum of debt without any form of idea of how we are to get out of it. This is a bad situation. People are aware of it. They look around the world and can see the problems that the United States currently has. The United States is trying to raise money by bonds, with a US$1½ trillion stimulus package. The world is asking the logical question—unfortunately, for all of us—who are we lending the money to? Do they have the capacity to repay us? I have to say to President Obama that it is not his fault. The problems started before he came to office. But we are on that path now, and the only thing that the conservative side of this chamber must do is say: ‘Stop! We do not want to get ourselves into that position.’ That position is down the track, but when we arrive there we will not be able to reverse the situation, so we must be prudent now.

I do not know whether the government will have the numbers in this chamber or not, but the Australian people are awake to them. It is not that they are against a stimulus package; they are against this stimulus package because it is so tokenistic, parochial and ridiculous. This whole idea that we have got to get it through defies belief. Why do we have to get it through? Are there parked behind a shed somewhere mountains of boom gates to be delivered to a railway crossing near you, immediately? Are there hiding in the bushes, down there behind the oval, armies of green people armed with pink batts, ready to ascend into the ceilings and insulate the nation? Would it actually matter if we were to take our time and do things prudently? No, it would not.

Why do you have this gun-to-our-heads approach? It is Australian taxpayers’ money and you are insisting that they not only spend that money but go further into debt. This brings to mind the dodgy aluminium siding salesman who goes from house to house saying: ‘You’ve gotta sign up. It’s gotta happen now.’ I can tell you, from the point of view of an accountant, when the pressure salesman turns up, the product is dodgy and the only thing you should say to them is, ‘Go away.’ If what you are offering is so self-evidently beneficial to the Australian people, leave the details of your program with us and it will scream from the paper that it should
be endorsed. I do not doubt for one moment that, if the product were fiscally responsible, it would be endorsed. But this is not simply about a stimulus package; it is about the issue of your stimulus package and what it represents.

Let us look at the position that we will eventually be in if we implement this package. If we end up hocking our nation’s credit card with $200 billion worth of debt, for every per cent of interest that is $2 billion. Let us say that over the cycle of this debt we will be looking at around six or seven per cent interest per year. That is around $14 billion in interest a year. Those numbers just roll off the tongue, but what are those numbers? Those numbers could represent cancer treatment that could be provided on the Pharmaceutical Benefits Scheme. Those numbers could extend hospitals. Those numbers could provide dams so we can secure our water supply. They could seal roads. They could build an inland rail system that would deliver a corridor of economic activity in Australia. This money would just disappear, year after year.

As an accountant, one of the things that frustrated me was that hardworking families were only just able to meet their mortgage interest payments year after year and could never get ahead because they were hocked up to their eyeballs with debt. They basically sell their families and those who come after them into a form of financial servitude. That is the reason that we must stand against this package. I am not going to sell the Australian people who come after me into a form of financial servitude because of the improvidence of trying to buy our way out of the global recession with ceiling insulation and boom gates. This is something that resonates. I am receiving email after email saying: ‘What is this thing about pink batts? What are pink batts going to do to our global economy? Who devised this? What font of knowledge came up with this work of financial wisdom?’ The reason people are sceptical is that they found out about the first package. It had no modelling; it was just plucked out of the air—‘Bang. Here, spend $10.4 billion’—and half the surplus was gone. The government came up with promises and was able to deliver on none of them. That is the form and track work of the Labor Party economic horse, and it is dodgy.

This is going to be an incredibly important debate for the Australian people because it is not just about this moment; it is about from this time forward. The debate will go on for a period of time, but the debt, if it descends on us, will remain on us for goodness knows how long.

When are the Labor Party going to present information showing the efficacy of this proposal? When are they going to tell us exactly what they hope to achieve? When will we see specific details of the purpose and desired outcome of this proposal? Where does the arrogance of proposing one of the biggest packages that has ever been brought forward, without any time allowed for its consideration, come from? We had this ridiculous vigil last night in the House of Representatives till five o’clock in the morning because you insisted on being so barbarically arrogant that your leader did not even turn up to his own vote. This is really starting to show the people of Australia exactly who is running this country. If we had efficacy along with the arrogance, at least we would have something excusable, but we have arrogance and these ridiculous ideas all tied up together.

We now have people, quite rightly, going through the details of this package and realising that they have been left out. They are beginning to understand. People thought that every farmer would get $950. They will not. In fact, in the whole $41,534,000,000 pack-
age $20 million has been put aside for farmers—that is it. Of course, not every farmer will receive a payment. You have to already be deemed as being in exceptional circumstances and basically in financial trouble to receive it. And I will tell you what people in financial trouble also have: they have debt. What your package does is put the price of their debt up. What are you delivering to them? Ten thousand dollars per million per percentage point. They are not foolish; they will understand, when the interest bill turns up, where it came from. It came from the Australian Labor Party.

Then we have the state governments, which have been building up debts that Steve Hooker, the pole vaulter, could not traverse. These state Labor governments are salivating because they are going to get bailed out by the federal government. They are losing the capacity to go any further. The debts that the states now have behind them are almost insurmountable, so now we are going to have major state debts compounded with a debt-laden federal government, which in the past could always sit behind them and say: ‘No matter how much you get this wrong, state Labor governments, at least we have a parachute. Although we don’t want to use it, we have the capacity to bail you out if it all goes to clay.’

But now we are going to lose the capacity, the ability, to bail them out. We will have a compounding effect of debt upon debt with no income stream, putting immense pressures on the productive capacity of this nation to finance it. By going to the people who will have the providence to go to the markets to borrow the money to produce a form that adds to our economy, we are also going to those people who in the future will have to bail the nation out of the problem and saying, ‘We’re going to make it impossible for you, because we’re going to be in the marketplace bidding against you for the money.’ This is the reality. It is going to be a very hard debate. We have to take the Australian people on this journey to clearly spell out piece by piece why this is not any sort of statement of belligerence, obstinacy or arrogance but a deeply felt concern about where this will all end up if we get it so entirely wrong—and the track record of the Labor Party so far is that they are getting it terribly wrong.

I am deeply heartened that, no matter what poll I looked at this morning, the Australian people are waking up to the situation. They understand. The lady I spoke to last night and the calls I took all had the same message: ‘What on earth are they up to down there? Where has this manifestation of manic borrowing come from?’ At the end of the day, in the global economy we are in the same economic plane as the United States of America and China, but we are not in the cockpit; we are down the back of the plane. Where the front of the plane goes, we will go regardless. In this nation we have to be fully aware of where we are economically and have a good understanding of where we are going. Our idea is to protect our people. Australia does not have the capacity to reboot the global economy. I wish we did, but we do not. Our primary responsibility is to our people and to the realisation that we are only about 1½ per cent of world GDP.

In the past we were protected because we were provident and prudent and had money put aside, but the Labor government have started down a path and this is how the path will go: the first thing they do is spend the money you have. They have done that—it has gone. Then they spend the money you do not have—that is, they borrow it. They are flat out into that, they are $200 billion into that, and they have not been here two years. Then they try to drive whatever mechanism possible—interest rates, for example—as low as it can go but are confounded by the fact that at the same time their debts are forc-
ing interest rates up. Then they do the big one: they print money. Around the world at this point in time are certain economies at various positions. Believe you me, you do not want to get to position 4, because then it is game, set and match. That is Zimbabwe. How do we stop ourselves getting to that position? It is by having the honesty—and losing the arrogance—to make sure that we do not get ourselves on that path. It is by being prudent at the start to save ourselves the pain of the end. This is why people are asking the National Party and the Liberal Party—I do not know about the cross-benchers—the question. It is not what is popular now; it is what is prudent in the long term.

Any person going to the pub and seeing some person who is half-cut and buying everybody beers would of course grab a beer off them, but you do not respect them. You think they are foolish. You think their whole process is obviously flawed. The Labor Party’s position is that, because people are accepting these beers off them at the bar on a Friday night, we all think they are wonderful. No, we think they are half insane. We the conservative side, the fiscally responsible side, have the capacity to try to bring some sense and balance back into this situation. Those people who have a long-term vision of where this nation is going, those people who are honest and prudent, will understand this statement. It is not about us now; it is about where our nation goes and the debt we leave behind for others to pay. The most selfish thing you can do is leave your debt behind, and that is what the government is doing.

(Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.49 pm)—The nation faces the consequences of an extraordinary meltdown of the global economic wellbeing that has emanated from a mismanagement of the trust of people by the corporate sector based in New York and the inevitable catch-up from the spending of assets that simply could not be backed. This is not unforecast. JK Galbraith, for one—I read his book in 1995—forecast an inevitable bust because of the boom that could not be sustained, could not be justified, that even then had appeared in Western economies and was being led by the biggest finance houses on Wall Street. However, this neoliberal and rampant capitalism, based from the Reagan years on the diminution of government—government, get out of the way—now has to be fixed by government.

We are in democracies where it is the role of government ultimately to be the defender of the public good. The Prime Minister is late to this. In his recent essay—I have not read it yet—I think he has done a 180-degree turn from being a conservative economist to now saying that he understands that the role of government is to defend the public good and to work on behalf of all components of the electorate, not just the big business houses. That will take a transformation in thinking by both of the big parties in this parliament, a transformation which is contrary to their practice certainly for the last decade and more that I have been here and for years extending back beyond that. We Greens have a different approach to economic management, one which is much more responsible and which says we certainly should live within the means that there are to support ongoing economic prosperity not just at the given time but into the future.

Australia is the richest country in the world per capita in resources but has had its share of mismanagement. I watched in this place over the last years, particularly during the Howard years, as a massive amount of public money that should have gone into the public sector was poured into the private sector. As a result, we have a run-down education system in a country where every-
body—from the poorest person to Rupert Murdoch, who at the turn of the century called for more spending—knows that education is the absolute staple of not just our economic wellbeing but also the general wellbeing of everybody. It provides fulfilment. It gives every individual person in society the opportunity to find their own creative genius. Through the application of that fulfilment they make a contribution to the rest of society.

However, if you look at the average spending on education of OECD nations, Australia has a spending shortfall of $6 billion per annum. We are at the back of the pack. I found it quite extraordinary that neglect of education became a hallmark of the Howard government at a time when we had massive assets and a massive ability to contribute to education. Not least here was the running down of public education stock. We have been left with schools which are way behind international norms in both infrastructure and the good teachers to deliver the education that we want for every child in Australia in 2009.

Now we are faced with this dilemma of unprecedented proportions—that is, unprecedented for those people who cannot remember back to the Great Depression of the 1930s. The Greens have a very clear difference from the big parties in our approach to the rescue of the economy from this situation—that is, short-term stimuli are not enough. We take the long-term view. In meeting this emergency, we want to see the governments in this country and around the world looking at the long term and redirecting the economies so that we do not get ourselves into this mess again. In our communications with the government on this package and on the structuring of future economies, we want to see a very clear direction as to where they expect the economy to be not just in three years time but in 30 or 50 years time.

As far as the Greens are concerned, that means following the advice of Sir Nicholas Stern when he was here in Canberra nearly two years ago. He pointed out to the closed ears of the then Howard government—and, I suspect, the current government—that those economies which take their lead from ecological excellence will be the leading economies in the coming century. Why is that? It is because there is a greater catastrophe than this economic one which is stalking not just Australians but the whole of humanity. We are in an age of cataclysmic climate change. Sir Nicholas Stern pointed out that we should redirect one per cent of gross product into tackling climate change now, and there is no evidence of that in any of the program we have before us. In fact, the Rudd government has said that it is putting off its major legislation to deal with carbon trading until midyear, as it is a secondary matter. Sir Nicholas Stern pointed out that, if we do not urgently redirect one per cent of the global economy into fixing climate change, it will have a six to 20 per cent hit on the economies of our grandchildren. All the evidence points to us having a huge responsibility to think about not just how we fix the economy now but the direction of the economy into the future. The chamber will hear a lot more about this from my colleagues and me in the coming week.

Nevertheless, we are charged with dealing with a $42 billion stimulus package from this government to meet this exigency. The opposition has decided it will not support that package and says that half the stimulus package would be a more prudent way to go. The questions to both the big parties are these. How do you decide the parameters of a stimulus package at this stage of the economic downturn? How do you justify $42 billion or $21 billion or $84 billion or $11 billion? There is a bit of a hunch involved in the government of the day delivering even
such a massive package. You listen to the economists. They simply do not know what size package is required or what sort of government intervention is required to get us out of the mess the big finance brains of the world got us into because there was not enough government scrutiny of their activities over the last several decades.

Our view is that Australians are hurting and are fearful. There are predictions that, instead of four per cent unemployment, there will be seven per cent unemployment within a year or two. These are not just statistics. These are hundreds of thousands of Australians who were doing well last year but have been suddenly confronted with dire economic circumstances which may lose them their houses, their cars, their ability to go on holidays, their ability to feel good about themselves or even their ability to inject money into their children’s wellbeing to ensure they get the good education I was just speaking about. Part of the question is this. How do we inject optimism into a nation which in economic terms is feeling pessimistic about the future? I say we do that by both dealing with the economic problem and pointing to a more optimistic and secure future for everybody.

To do that you need to be able to speak to those kids who recognise more clearly than many adults in this country the dire threats coming down the line from overpopulation, resource depletion and cataclysmic climate change—and Australia is not going to be insulated from any of those things. These are huge worries stalking our society. It is up to us, as the wealthiest resource based nation on the planet, to be leading a new direction for the whole of this planet. People are looking to Obama in the United States. We must look to our democratic system in this country to set an even better lead because we are better equipped to do that. Unfortunately, government is not there yet.

The Greens offer an alternative to the old big party thinking in this country, which is really, ‘The big end of town does have the nous and does know what is good for this country.’ There are good-hearted people in the big end of town but their ideology is not a wider one which says that we have to be aiming for quality of life, improvement of happiness and particularly optimism among us citizens, who are seeing ourselves as part of a global community which is facing gargantuan problems into the future. The Greens are prepared to look at those problems, to reset and reconfigure Australia’s role and its domestic policy, to ensure that we take a lead in giving future generations the security, the peace on earth and the stable environment which they all should be inheriting but are not going to inherit in the boom and bust capitalist age which we have just seen deliver to us this extraordinary financial problem.

What do we do with the $42 billion stimulus package? The opposition has decided to oppose it. We Greens would have said it very differently. We will go into this in the coming days of debate. The first thing we have done is to join with the opposition and other members of the crossbench to ensure the Senate gives this package at least basic scrutiny through the committee hearings which have been set up. The Greens have extended that, with the acceptance—we are in a cooperative mood—of the other non-government members of the Senate, to a second committee to ensure that we sit through, if necessary, until next Thursday at midnight to give this package due scrutiny. We will have a lot more to say in the meantime.

I flag this with you, Mr Acting Deputy President. We will run critical scrutiny over this massive amount of money, but we are not here just to criticise; we are here to bring forward positive and helpful suggestions that the government may take into account. I ask
the government to accept that it is the role of
the whole of parliament, not just the gov-
ernment, to work out what is best for the
Australian community. If good ideas come
out of other components of the elected par-
liament then the government should be flexi-
bile enough to adopt those good ideas into
this package before we get to the final vote
next Thursday. In the United States, the
Obama administration has proposed a bigger
package than this one—we know the United
States is a much bigger economy. It is a
US$50 billion green stimulus package to
‘create jobs with clean, efficient American
energy’. President Obama has said:
To put people back to work today and reduce our
dependence on foreign oil tomorrow, we will
make investments aimed at doubling renewable
energy production and renovate public buildings
to make them more energy efficient. America’s
energy shortcomings present a huge opportunity
to put people to work in ways that will transform
our economy.

Senator Milne has our portfolios for both
education and climate change and her staff
are working very assiduously, looking at the
$14 billion part of this package which is for
new school buildings right across the coun-
try. We would want to see not just that we are
renovating buildings but that new buildings
being built with this massive amount of pub-
lic money are highly rated for energy effi-
ciency and for environmental outcomes. That
creates jobs and stimulates new skill in such fields as building, plumbing, carpentry,
insulation placement and the electrical trades—right across the board, that stimu-
lates new jobs, giving people new skills
which they then carry on into the future,
building industry in the private and the pub-
lic sectors.

In Obama’s package, there is $11 billion
for research and development, including pi-
lot products and federal matching funds for a
smart grid investment program to modernise
the electricity grid, making it more efficient,
secure and reliable and building new power-
lines to transmit clean renewable energy
from sources throughout the nation. There is
an $8 billion program for loans for renew-
able energy power generation and transmis-
sion projects. There is $6.7 billion for reno-
vation and repairs to federal buildings, in-
cluding at least $6 billion focused on increas-
ing energy efficiency and conservation.
There is $6.9 billion to help state and local
governments make investments that make
them more energy efficient and reduce car-on emissions. Might I add that the compo-
nent of the Rudd government’s package
which goes to local government is well di-
rected. Who better than the administrators at
the local level to know where best to target
expenditure of money to stimulate the econ-
omy. There is $2.5 billion in the Obama pro-
gram for energy efficient housing retrofits
and a further $2 billion for energy efficiency
and renewable energy research.

There is $2 billion going into renewable
energy research in America, when we in Aus-
tralia, this sunny country, have starved our
solar researchers of money. When you starve
researchers of money, you then starve the
pilot programs, the implementation of the
technology, the manufacture and the science.
So, after 12 Howard government years, we
are in the extraordinary position where, for
example, in putting a solar hot water system
on our house last year, I found that the tech-
nology was Australian but it was imported
from China. Well, good on the Chinese! But
ought not we be manufacturing the Austra-
lian technology, which is world’s best, here
in Australia? The answer to that is: of course
we should. The Obama government is put-
ting $2 billion into energy efficiency and
renewable energy research. Where is that in
this package?

There are also a range of other measures,
and here I point to the fact that Australia is

CHAMBER
way behind the greening of the economic direction that we see in Germany, the UK, the United States and Spain. Where in this package is there refurbishment, renewal, or at least a national overview, of our public transport system? The Spaniards, with their very fast trains travelling at 350 kilometres an hour—it is now 3½ hours from Madrid to Barcelona, and the other major cities are connected—are taking thousands of people out of the air to slow down the release of greenhouse gases. The Spanish government has just allocated €50 billion to extend this fast, efficient train system, which is 99 per cent on time. What do the people of Sydney or Melbourne think of that? Where is that in this program? Where is even a thought about that in this program? That is the sort of program which, in an age of cataclysmic climate change, sets the course for an efficient transport system into the decades and the century ahead, creating jobs, stimulus for local business and world’s best expertise.

I have a lot more to say about this legislation, but my colleagues will be following me in this debate. We are excited by the opportunities that arise here. We will be talking with the government wherever we can to make this package more job rich, more environmentally cohesive and more long term, leading to the skilling of this generation so they will be assured of jobs for decades to come in this lucky country of ours.

Senator BRANDIS (Queensland) (1.10 pm)—On 6 May 2007, the then Treasurer, the member for Higgins, Mr Peter Costello, stood up in the House of Representatives to deliver the 2007-08 budget—what would turn out to be the last budget of the Howard government. Mr Costello delivered a budget which, for the 10th consecutive year, was in surplus. In the previous 12 years, Mr Costello as Treasurer had paid down the $96 billion of debt with which the then government had been saddled by its Labor predecessor. If you look at the fiscal projections which formed part of the last Costello budget, they paint a magnificent picture of the state of the Australian economy then.

In budget statement No. 1, Fiscal strategy and budget priorities, we learn that the budget surplus for 2007-08 was projected to be $10.6 billion in the black. But, if you look at the projections in the out years, you will see that the state of the Australian economy at the time of the last Costello budget projecting into the future was that in the following year, 2008-09, the year we are now in, the budget would have been in surplus to the tune of $12.7 billion. A year beyond that, in 2009-10, the budget would have been in surplus to the tune of $13.8 billion. That was the healthy, robust, solid, solvent state of the Australian economy at the time of the Liberal Party’s last budget.

As it turned out, those budget projections were wrong, but they were wrong because they underestimated the robust health of the Australian economy in that last golden year of the Howard government, when the economic circumstances of this country were such as filled individuals, households and businesses with confidence. When it came to the time of the election on 24 November 2007—only six months after Mr Costello’s last budget—the state of the economy was so healthy that the budget surplus which the incoming Rudd government inherited had
been revised upwards to $21 billion. That does not include the amount of money that had been set aside prudently in capital funds such as the Future Fund and the Higher Education Endowment Fund to make provision to relieve the debt burden from the backs of future generations—from the backs of your children and my children, Mr Acting Deputy President. Australia was $21 billion in the black—not even taking into account the Future Fund and the Higher Education Endowment Fund—and that is what the Labor Party inherited from us. Twelve and a half years earlier, we had inherited $96 billion in the red from them.

Mr Acting Deputy President, you might think that a government newly in power, even a Labor government—led by a Prime Minister who announced boldly during the election campaign in a slick television commercial that he wore the badge of an economic conservative with pride—which inherited a $21 billion surplus in a growing economy would at least have a few years before it would destroy the country’s fiscal position. We know that sooner or later Labor governments always destroy the country’s fiscal position. But, nevertheless, what a difference a year makes! Mr Acting Deputy President, did you know that last Saturday it was 62 weeks since the change of government? It was 62 weeks since Mr Howard and his ministers—since I and Senator Mason—surrendered the seals of office and 62 weeks since the responsibility for the management of the Australian economy was placed in the hands, as it should have been as a result of a wonderful democratic process, of the Australian Labor Party.

In 62 weeks what has been the result? I can tell you, because the day before yesterday in the House of Representatives the Treasurer, Mr Swan, and the Minister for Finance and Deregulation, Mr Tanner, tabled the Updated Economic and Fiscal Outlook. The Updated Economic and Fiscal Outlook projects that by 2008-09 the budget will have moved into deficit to the tune of $22.5 billion, a reversal of the nation’s fiscal position of more than $40 billion in a year. In 62 weeks there has been a reversal of the country’s fiscal position of some $43 billion—that is, not quite a billion dollars a week. It took the Hawke and Keating governments 13 years to accumulate $96 billion of debt. It has taken the Rudd government little more than a year to accumulate half that already and to reverse the nation’s fiscal position by half that much already. And the Labor Party asks, ‘Why is it that you Liberals are going to vote against this so-called economic stimulus strategy?’ The reason we are going to vote against it is to protect the national interest from a Labor government gone crazy, a Labor government gone mad with its addiction to spending and borrowing as the only tool of economic management.

We do not say that there should not be stimulation of the economy to deal with the current downturn. Mr Turnbull in his statement to the nation last night and in his interviews on The 7.30 Report and other pro-
grams indicated measures which the Liberal Party—the party that could be trusted with the prudent management of the economy were we today in power—would have implemented. It would have implemented, in particular, tax cuts so that people could project forward what their savings would be and might thereby be encouraged to change their household budgets and elevate their expenditure rather than merely pay off debt and not contribute that money into the circular flow of the currency. So we do not say there should not be a stimulus. What we say is that the magnitude of this package is reckless and the targeting of the package is wrong.

There are two fallacies—two lies—that have been put about by Labor Party politicians to try and justify this reckless expenditure, this policy decision which will cripple our children and perhaps our grandchildren with debt. The first of those fallacies, which was articulated among others by the Prime Minister when he stood up in the House of Representatives on Tuesday, pale faced, panic stricken and petulant, to announce these measures, is that the reversal of the budget position is the result of the decline in the government’s revenue because of the economic slowdown.

The Prime Minister’s claim is belied by his own government’s document, the Updated Economic and Fiscal Outlook, because those with a taste for drilling into the detail of these documents will find, on page 40 in table 4.2, ‘Reconciliation of Australian Government General Government Sector Underlying Cash Balance Estimates’, a disaggregation of the extent to which the deterioration of the budget position is due to policy decisions of this government and is due to a decline in the revenue. What table 4.2 tells us is that taxation receipts estimates have been revised down by $9.5 billion in 2008-09, while the effect of policy decisions in the so-called stimulus package is recorded as $18.037 billion. That is in addition to the $10 billion economic stimulus package announced in December, which many consider was largely ineffective.

So the value of the policy measures—the decisions made by the Australian government in the last 2½ months—has been the expenditure of $28 billion. The effect of the decline of the revenue has been $9 billion. Let us not let the Labor Party get away with the lie that the budget has been driven into deficit by a decline in the revenue. Overwhelmingly, by a factor of more than three to one, the budget has been driven into deficit by advertent policy decisions made by Mr Rudd, Mr Swan and Mr Tanner. The second fallacy that is propagated by the Labor Party and in particular by Mr Rudd is that the reason these extreme measures are necessary is the global financial crisis—in which, so they say, Australia stands in the same position as every other Western nation. That is not so. The global financial crisis was generated by imprudent lending practices and deficient regulatory requirements within the United States of America. It was a problem that emerged from the United States of America, in particular from the so-called subprime housing market, and was propagated to other Western economies, including Australia’s.

Senator Mason—It was imported.

Senator BRANDIS—As Senator Mason says, it was imported. Where Australia stands in relation to this crisis is not the consequence of decisions of the previous government. On the contrary, the previous Treasurer, Mr Costello, in 1997—long before the subprime housing crisis was dreamt of—anticipated and, so as to avoid the emergence of such problems in Australia, set up the Australian Prudential Regulatory Authority. The Australian financial system has been largely quarantined from the effects of the global financial crisis. We have had no Bear
Stearns, we have had no Northern Rock and we have had no collapse of a Lehman Brothers or Bank of Scotland.

In fact, over the last weekend the Deputy Prime Minister, Ms Gillard, was able to boast at the World Economic Forum in Davos that, of the 11 strongest banks in the world, four are the four big Australian banks. Mr Acting Deputy President Trood, you and I both know that in the international financial system Australia is a relatively small player. The value of our capital markets is a fraction of the aggregate value of the world’s capital markets. A decade ago, not one of the 11 strongest banks in the world would have been Australian banks, simply because of their relatively small size in international financial affairs, but today—because of the decline in the credit base of American, British, European and some Asian banks—four of the 11 strongest banks in the world are Australian. That did not happen by accident; that happened because of the foresight, prudence and judgement of Mr Peter Costello.

But do not take it from me. Let me read you some words from an address last December to the Centre for Independent Studies in Sydney, published in yesterday’s Australian newspaper. The commentator, an economist, said this:

Lax business regulation has contributed to the global financial crisis that has plunged most of the Western world into recession. But before we pronounce free markets dead and 2009 the year of reregulation, let’s analyse what went wrong.

This particular economist goes on to say:

For Australia the short answer is nothing. Australia’s financial regulation is the envy of the rest of the world. Both the International Monetary Fund and the World Economic Forum rank our financial system among the top four in the world.

Who was this sage, who was this Cassandra, who was this Daniel come to judgement who announced as recently as last December that for Australia the answer is that nothing went wrong—that, in a financial maelstrom, for Australia everything went right because our financial system is the envy of the world? Why, it was none other than Dr Craig Emerson, the Minister Assisting the Finance Minister on Deregulation—the only professional economist who sits as a minister in the Rudd government. Dr Emerson was right.

The Australian government, the Labor government, will be judged by its response to the global financial crisis. The response so far has been panic-striken and hysterical, and no more so than in a flimsy polemic, the product of a second-rate mind, published by Mr Rudd in the Monthly journal this week. Mr Rudd, contrary to the assertions of his much better educated Minister Assisting the Finance Minister on Deregulation, claimed that it was regulatory failure in Australia, in common with the other Western economies, which was to blame. It is nothing of the sort, as Dr Emerson had the understanding to point out as recently as the month before last. The Rudd government’s response to this crisis has been a panic-striken, hysterical and wrong-headed response. We Liberals, we who proudly bear the name ‘liberal’, neo or otherwise, will not stand by to see this nation sunk in generations of debt.

Senator WILLIAMS (New South Wales)

(1.30 pm)—I rise to speak on the so-called stimulation package that the government has proposed—or could we call it the debt package? I go back to 15 September last year, when I presented my maiden speech in the Senate. I intend to quote from it. I drew an analogy between running the family farm and running the nation. I said:

The family farm cannot carry too much debt; otherwise, when the tough times strike, the farm will be in financial trouble. So too with our nation. If governments build debt, they are mortgaging our children’s future away. It pleases me that the previous government paid off our huge debt.
This is something that as a nation we can be proud of. It is surely the envy of many.

Here we are today with a Labor government once again in charge of the chequebook. Let us have a good look at what they are doing. They propose to spend $42 billion—$42,000 million in borrowings—on propping up the nation’s economy. Let us have a look at another analogy. We have what greed and reckless, foolish lending by financial institutions has caused around the world, especially in America. Now we face a situation where our economy is like a tyre with a puncture, and it is losing air and going flat. On 8 December the government released $10 billion-odd to blow into that tyre to inflate it. What happened to that $10 billion? We in the coalition supported it because it was money for our pensioners, money that we had called for for weeks or even months. We thought it was a disgrace that single pensioners were trying to survive on $273 a week and said they should receive some assistance. That is why we supported the package. But even with the $10.4 billion splashed around last December the tyre went flat. Now we have a situation where Mr Rudd and Mr Swan are going to inflate the tyre with $42 billion, and we know that in the months to come the tyre will go flat. What are they going to do then? Are they going to just keep borrowing and borrowing? It amazes me that the stimulation bills before the Senate allow the government to borrow up to $200 million.

Let us have a look at Labor’s history and at this stimulation package. We have $14.7 billion for our schools. Of course I support money going into our schools. It was a coalition government that brought in the Investing in Our Schools Program to put in money because of state Labor governments neglecting our schools. I think $14.7 billion is too much. Let us look at the next item: $8.2 billion of handouts, $950 for all of those who have a gross income of less than $80,000.

Going back to the package in December, I was amazed when one of the returned services clubs told me that in the week after 8 December they took an extra $46,000 through their poker machines. I was also amazed that one liquor outlet had customers ordering pallets of beer—not a carton, not a couple of slabs, but pallets of beer. This is stimulating the economy the Rudd way. It is foolish, stupid spending that will only backfire. So we have a system being introduced by those opposite where if you are on $78,000 a year you are going to be handed another $950.

Thankfully, since 3 September we have had a four per cent reduction in interest rates, which has helped many of those people in business and farming and those with home loans. Because of the world financial meltdown, we have had a reduction in fuel prices. That has also helped. But I was amazed when my chief of staff, Greg Kachel, informed me that while speaking to his 21-year-old daughter last night she had said, ‘The money would be good but who’s going to pay it back and at what interest?’ This is how a typical young person, one whom I might add is apolitical, reacts to this package.

Let us go on a bit further. Let us say you are on $95,000 a year, a huge amount of money. You will get $300. Well, that will stimulate the economy, won’t it? This is just crazy. Let us have a look at rural Australia. Let us have a look at our farmers, who have suffered drought since January 2002. They are going to get a paltry $20.4 million out of a $42 billion package. Those in exceptional circumstances are going to get $950. Now $950 will buy you a tonne of fertiliser. Those over the other side would not understand the cost of fertiliser and the cost of running a farm. One tonne of fertiliser usually goes over 15 to 20 acres, so when you are sowing 3,000 or 4,000 acres of wheat it is a drop in
the ocean. However, it will help to pay the phone bill, the utilities bill and the grocery bill, and I welcome that; something is better than nothing for those who actually feed our nation.

Let us go on to the 2.7 million homes that will have batts put in their ceilings, at up to $1,600 a house. I am going to tell you a little story. A very good friend—a very close friend; there is probably no-one closer, as we plan to marry in April—has a wooden home in the little town of Bingara. A couple of years ago Nancy put batts in the ceiling of her house. It has made the house substantially worse, and I will explain why. When you have a stone or brick home, your walls are insulated pretty well, but with a timber—cypress pine—home the heat comes in during the day through the walls and, because of the batts in the ceiling, cannot escape at night through the ceiling. The house is substantially hotter at night during summer because of the batts in the ceiling. That is a fact. I know and Nancy knows. If she had it her way and we had time we would probably pull the batts out. In a wooden house it is a waste of time and a waste of money, unless you do the sides of the house as well. But, if you are going to pull the HardiePlank off cypress pine, you are going to split every panel and it is going to cost you a fortune. So do not think that the batts in the ceiling are going to be the magic wand that will save the economy, give everyone a job and save a swag of greenhouse gas and electricity, because they will not. I know it through personal experience.

Let us move on to this $42 billion package, and I will explain why I will not support it. Our hospitals in New South Wales are in disarray. It was one Kevin Rudd who promised the Australian people prior to the election that the buck would stop with him and that he would fix our hospitals. Go out to Dubbo and explain to the people of Dubbo in western New South Wales how their hospital is fixed. There is actually a rally planned for Friday the 13th—what a suitable date—for the people of Dubbo to protest the conditions of their hospital. Let me tell you about their hospital. It is in the board of Greater Western Area Health Service of NSW Health—one of those magic, great boards that Bob Carr introduced—and it is another failure. Gilgandra and Coonabarabran hospitals, remember, had the meat cut off—they could not pay the butchers’ bills. Now we find that the security companies have not been paid and have threatened to walk out. This is where the doctors borrow the bandages from the local vet so they can actually bandage their patients. This is fixing the hospitals, Rudd style! We have a doctor practising in Bingara who was in the Dubbo area previously. He is owed $50,000 for his services by the Greater Western Area Health Service and cannot get paid. He has had to move out of the area, borrowing against his home loan to keep himself afloat. This is the hospital system that Mr Rudd was going to fix. It is an absolute disgrace. What is in this $42 billion package for our hospitals? The answer is simple: there is nothing in it at all.

What about our aged-care facilities? Haven’t we got an obligation to look after our elderly? Imagine an elderly lady in an aged-care facility in a country town—her husband went to war; they battled through the hard times. These aged-care facilities are doing it so tough they have threatened closure. Surely this parliament, this nation, has a huge obligation to look after aged care. What is in it for them? There is not one cent in it for them. But for someone on $78,000 a year it is: ‘We will give you $950. Go and have a night at a restaurant, buy a heap of booze, do what you like—that will help us.’ But do not look after our elderly.

What about our pensioners? How long have we fought here in our parliament to
help our pensioners? As I said, we supported the package last December because it actually helped our pensioners and our carers. What is in this package for our pensioners? Nothing. A single pensioner has got to survive on $273 a week. How can you survive on that? These elderly pensioners, who have done so much for our nation, now live on or below the poverty line. What is in this package for them? Not one red cent. But I tell you what is coming: it is the big bill on the MasterCard. It is coming because Labor is in charge of the bank.

Let us have a look at Labor’s history. Let us go back to the late 1980s and 1990s. Let us look at our states. Victoria went broke, with $60 billion of debt under Labor; South Australia went broke; Western Australia went broke; Tasmania went broke; and, had it not been for the Greiner-Murray governments in New South Wales, it would have gone broke as well. They were conservative governments that actually kept the show on the road. Queensland did not go broke because they had 30 years of National Party government and were debt free. That is what got them through the tough times. That is a fact. I know the truth might hurt some around here, but that is a fact. They were debt free. Being free of debt is something that the Labor governments in Queensland inherited. The government in this place inherited it, too. But we are no longer debt free.

Let us look at the time of the Hawke-Keating government. I remember the big blue when Mr Keating wanted to become Prime Minister. The little squabble started and grew into the big squabble. They introduced a Treasurer by the name of John Kerin. We had him in primary industries; you would be familiar with the bloke. He budgeted for a $3 billion deficit. At the end of the year it was $10 billion, three times the amount. That is not even a good guess. We have people here now saying that they are economically responsible conservatives. The Australian people know differently, because they know the past of the Labor Party managing money, and that is what it is all about. I have no doubt that we are in for a tough year—

Senator Sterle—That is an understatement. It would be a lot tougher if you lot were in charge.

Senator WILLIAMS—Senator Sterle agrees with me. If you simply go and borrow and borrow, who is going to pay for it? It is easy to borrow money—I have borrowed plenty in my life—and it is darn hard to pay it back. We know that markets all around the world trade on sentiment, and we know that sentiment is very negative. I will give you an example. Just take the local cattle market. If exports are strong and there has been plenty of rain, plenty of pasture and plenty of grass and you go to buy some cattle, they are dearer. The sentiment is positive. Likewise, when the drought sets in, the cockies are out of feed, there is no pasture, there are big numbers of stock in the market—that is, there is oversupply—the market falls. The sentiment is negative. Sure, we have a lot of negative sentiment right around the world—brought about by foolish, greedy, stupid lending by those in the subprime institutions in America.

There is one problem we face in this world: with banks there is never a level of profit they are happy with. In Australia, if they make $4 billion this year, they want to make $4.4 billion next year and $4.8 billion the year after. They go on taking risks. All of a sudden the wheels fall off the cart, and what have they got? A swag of bad debts—$3.1 billion for the last six months. Sure, these are tough times, but patching that tyre or keeping it spinning around by pumping billions of dollars worth of air into it is not going to fix the problem. What will fix the
problem is interest rates falling lower and growth through the private sector—the sector that actually drives our nation’s wealth. Then we can grow from the real part of the economy, not from governments borrowing and spending.

Remember the years of Keating as Treasurer and Prime Minister, when he said, ‘We are running at 3½ or four per cent growth’? Half of it was from money borrowed by the government. Then, when the coalition got into power, they inherited a huge debt. It took 10 years for the Howard government to pay off that $96 billion debt. As I said in my maiden speech, we surely were the envy of the world when we did. Now it has taken a bit more than 10 months for this government to plunge us back towards the same level of debt. If this $42 billion package does not save the nation—and I frankly say it will not; the tyre will still go flat—how much more are we going to borrow? Will it be another $60 billion or another $100 billion? ‘Just throw it on the MasterCard. She’s right; the next generation will pay for it.’ If we are looking at the $200 billion debt that this government is proposing through that bill, at five per cent interest, that is $10 billion a year in interest only. If it is a 20-year loan, it will be another $10 billion. The taxpayers of Australia are going to have to pay $20 billion in interest and principal. And it has to be paid. If we do not pay it, we will go down the road America has—that is, huge government debt and one huge financial mess.

Hence, I believe this package is reckless spending. It pays no attention to our elderly, our pensioners, our aged-care facilities or our hospitals the Prime Minister is going to fix. Well, good luck! I believe it is a package to bail out the Labor state governments that have neglected our schools, hospitals—there are no hospitals in this case, but the states are the ones who neglected them—and public housing et cetera. It is a cop-out for the financially disgraceful management of our state Labor governments. I refer to New South Wales. I think Mr Rees is still Premier. They change pretty often these days. I do not know how the factions and the warlords are getting on. But, on the way that state is managed, this package is a bailout of people like Mr Rees and shores them up for the 2011 election. He will need a lot of shoring up, that is for sure. Wouldn’t you agree, Senator Sterle? The package is too great. It will not keep the tyre inflated. The tyre will go flat and I worry what sort of borrowing will continue after that.

Finally, I will sum this up with a question. Why the rush? ‘We told the people the money would be there in early April.’ Labor expect the Senate to have a $42 billion package put forward and to rubber-stamp it. ‘Trust me,’ says Mr Rudd. ‘Trust me,’ says Mr Swan. ‘We will fix it. Just rubber-stamp it. It’ll be right.’ That is a disgraceful attitude. And now people are slinging off at us today because we want to scrutinise the package, to have a look at what is in it. We are copping flak for that, but to rush this through would be a disgrace. It would be an absolute betrayal of the Australian people. You would wonder why we even have a Senate. The government expect us to rubber-stamp this and pass it today. Thank goodness others around the chamber have the brains and the intelligence to take it easy, to have a look at it, to see what the government are actually doing. I appreciate their support on that. Let us be fearful of where this debt is going. I would imagine that, if this passes, it will be only a matter of months before we are back here discussing the next package—$60 billion, $70 billion, whatever it will be.

Senator RONALDSON (Victoria) (1.48 pm)—Before I get into my comments on this package, there is one observation that I would like to make about something which I am sure has not been lost on others in this
This is potentially the most significant package that has ever been put through either chamber. I looked at the speaking list and what did I see? I saw the names of coalition senators wanting to speak on this bill. Is there one member of the Australian Labor Party who has their name down on the speakers list to speak on the largest package that has ever been through this parliament?

Opposition senators interjecting—

Senator RONALDSON—Not one of them is prepared to stand up here and defend this package. Not one single member of the Australian Labor Party has their name down on the speakers list to debate this package.

Senator Sterle—We all agree it’s great!

Senator RONALDSON—Not one single person.

Senator Cormann—The government is gagging you!

Senator Sterle—I can’t wait to tell all the people in Stirling, Cowan and Swan and tell all the schools that you’re making sure they don’t—

Senator RONALDSON—When the Australian people are judging the integrity of the Australian Labor Party in relation to this package, they will need to look no further than who is prepared to speak on this and who is not.

Senator Sterle interjecting—

The ACTING DEPUTY PRESIDENT (Senator Parry)—Order! Senator Sterle, it is disorderly to shout across the chamber. Remarks must be addressed to the chair. If you have a point of order, please raise one.

Senator RONALDSON—We have had interjections from Senator Sterle. I have had a look at the speakers list and I cannot see Senator Sterle’s name on there. So he is happy to sit in here and throw a bit across the chamber, but he does not have the intestinal fortitude to put his name down to debate it.

After all the crocodile tears we have seen shed by the Australian Labor Party over the last decade about the role of the Senate and the ability of the Senate to scrutinise the actions of government, what did we see today? They tried to ram this package through without any scrutiny from the body that for 10 years they said was being stymied by the former government. It is probably the most hypocritical action I have ever seen in my life. They try to gag the debate; they will not stand up and put themselves on the line to debate it. What an extraordinary outcome and how incredibly duplicitous those people are.

Senator Marshall—You have nothing to say about the bill, though.

Senator RONALDSON—Another voice from the wilderness! Senator Marshall will love this bill because there is absolutely nothing in here which forces the government to look at the long-term ramifications. Senator Marshall is quite happy to bank-card everything. He is well known for supporting the nefarious activities of the Cain-Kirner government, which sent the state of Victoria broke. He is a member of the Australian Labor Party that was quite happy to defend that. He is not standing up here today, because debt does not worry him. It has never worried him and he is not worried about it now. He is not going to talk about it, but he sits across there with a silly grin on his face throwing some stuff across the chamber. Why doesn’t he have the intestinal fortitude to stand up and debate this?

While we are on people who are not prepared to stand up, I just wonder where Mr Darren Cheeseman, the member for Corangamite, is in relation to this bill. Mr Cheeseman, of course, has been running around saying, ‘There is money coming for the Princes Highway West duplication.’ We are talking about $42 billion, and where is
Cheeseman in relation to this? Where is the member for Corangamite?

The ACTING DEPUTY PRESIDENT—Senator Ronaldson, you need to address members of the other house by their correct title.

Senator RONALDSON—I picked two out of three. Where is the money for the Princes Highway West duplication between Waurn Ponds and Winchelsea? We are talking about $42 billion and you cannot even keep a commitment like that. I will be interested to hear what he says, although I suspect that Mr Cheeseman will not be speaking on this matter either.

The one key issue in this package is jobs, and it is the one thing that is missing from this package. It should be about jobs, yet there is nothing in this $42 billion package about jobs. You cry crocodile tears for Australian workers. There is nothing in this package for jobs. Before I go any further, we on this side of the chamber would like to know what happened to the 75,000 jobs that were lauded as the outcome of the last $10 billion cash splash. Where are they? We have not heard a word about it. We heard Senator Evans today saying, ‘People are arguing over 35,000 or 45,000 jobs.’ The reality is that he has not come into this chamber and said whether the 75,000 jobs were created. Now he is trying to play it down to 35,000. Is it 35,000? Is it 10,000? Is it 15,000? Once again, that $10 billion did not create jobs, and this $42 billion package will not either.

Where is the assistance to small business to keep employment high? There is no mention of small businesses. Very few of them will benefit from this. We need a fiscal stimulus which invests in the Australian economy in a way that makes the whole economy more productive, efficient and competitive. Of course, that is why tax cuts are so effective—because every business and household in Australia benefits from them. We believe that an element of the stimulus package should be that it lowers the cost of employing Australians so that we can both retain jobs and promote jobs growth.

Senator Marshall—You’re a bit confused, Ronno.

Senator RONALDSON—Senator Marshall is at it again. He is not prepared to talk on this matter but he is prepared to yap, yap, yap across the chamber. If you are so anxious about this, get up and make a speech. I will be looking forward to it. The reality is that the Australian Labor Party is hopelessly out of its depth. This is just the latest in a string of mistakes. Of course, we have the non-existent inflation genie. Remember that the genie was out of the bottle. The Prime Minister and Mr Swan were out there goading the Reserve Bank to lift interest rates. They almost threatened the Reserve Bank to lift interest rates. You were told what the impact of that would be. You were told that this economy was in real strife. But, no, you had been running the inflation genie political argument for three months, and you were still doing it in the May budget. Everyone knew at that stage. Blind Freddie knew by May that if you were to put higher interest rates into this economy you would kill it dead. No, you were prepared to run the political argument because you had been on a political course for six months and nothing was going to stand in the way of cheap politics, certainly not killing the Australian economy dead. You were running this line about the inflation genie, and you killed this economy stone-cold dead. In May, you were still doing it.

Then we had the unlimited bank deposit guarantee. This is a government that is totally out of its depth. We had the cash splash before Christmas. I hope those opposite are proud of that outcome, by the way. I hope you will be similarly proud of the potential
outcome of this cash splash. I would just like to read something from the Colac Herald to put all this into some sort of perspective:

Gamblers also broke the highest-ever spend on Colac poker machines for a one-month period in December with $756,000, or $24,387 a day, spent.

The December record smashed the previous record of $691,000...

If that is the outcome of a cash splash which you thought would benefit the Australian economy, then you need to have a good, long, hard think on what the outcomes of this one are going to be. If you think that an increase in problem gambling is an appropriate outcome of this cash splash, then you will stand utterly condemned for your behaviour. You have been lauding a very marginal increase in retail figures in December, which of course includes alcohol and gambling, which you are not prepared to talk about. I will finish these remarks after question time, but I just want you to think long and hard about this: are you members of a government that is prepared to put at risk the lives of people with a gambling addiction by making it easier for that addiction to grow? If that is an outcome that you think is appropriate, then say so. If you think problem gambling is not an issue, you say so. But you have to accept that one of the outcomes of this cash splash will be an increase in spending on alcohol and an increase in spending on gambling. You know that, I know that—we all know that. That is the only outcome from this.

Government senators interjecting—

Senator RONALDSON—I see that this provides some mirth for those opposite. They think that problem gambling is something funny. They are all laughing and giggling over there. If they think that is an issue for mirth, then that is entirely up to them.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Economy

Senator McGAURAN (2.00 pm)—My question is to Senator Conroy, the Minister representing the Treasurer. After confirming yesterday that the government will increase its borrowing capacity to $200 billion, will the minister guarantee that the government will not seek to increase this debt beyond $200 billion?

Senator CONROY—It is becoming increasingly obvious that those opposite continue, day after day, to lack an understanding of the severity of the world global recession. All of the forecasts released recently, particularly those by the IMF, note specifically that, to borrow their parlance, the risks are on the downside. What that means is that no-one is yet trying to pretend that this is necessarily the bottom, and the economy could slide further.

So let us be clear: the Prime Minister has repeatedly stated that we will do whatever it takes to protect jobs and families in this country, unlike those opposite, who are completely confused about what is going on. Let us be clear; just this morning Mr Turnbull went on the radio to say:

I still believe we will not go into a recession but I’m taking a very positive, you know, some would say optimistic, view.

Well, it was optimistic compared to what the shadow minister for education said this morning:

Well, we’re definitely going to be in a recession this year. That seems to be everyone’s assessment economically, and the IMF’s assessment, so I think we can now assume that we’ll definitely be in recession.

Is it any wonder that Mr Pyne and Senator Minchin are demonstrating some degree of economic literacy in the party room, but are overwhelmed by those—(Time expired)
Senator McGAURAN—Mr President, I ask a supplementary question. Will the minister rule out raising new taxes or increasing existing taxes to pay off Labor’s $200 billion debt?

Senator CONROY—As we have repeatedly stated, we will do whatever it takes to protect Australian jobs and families. When you go home this weekend you will have to talk to those people in your electorates and those people where you live—in the shopping centres, at the coffee shops and in the workplaces—and you will have to say to them: ‘We’re sorry if you lose your job because of the global recession and the contraction in the Australian economy. We’re sorry about that, but we’ve got some short-term politics to play. We’re going to pretend we’re not in recession. We are going to pretend that there isn’t pressure on the downside in the Australian economy.’

Senator Minchin understands it. Mr Pyne understands it. Former Minister Bailey understands it. Former Minister Baldwin understands it, but the Leader of the Opposition and clearly an overwhelming majority—

(Time expired)

Senator McGAURAN—Mr President, I have a second supplementary question. Given that it took the coalition government some 10 years to pay off Labor’s $96 billion debt, how long will it take to pay off Labor’s $200 billion debt?

Senator CONROY—That is a repeat of a question that was asked yesterday, and it was answered yesterday. What we have said is that, as taxation receipts grow, when we go above trend growth, we will bank the receipts. We have made it completely clear. We will put in place a two per cent spending growth limit. We have a plan to move us back into surplus and to pay off the debt.

Opposition senators interjecting—

Senator CONROY—I have just explained it. I do not know how many times you need to have it explained to you. The Prime Minister has articulated it, the Treasurer has articulated it and I explained it yesterday. But I do not mind repeating the answers, because each day, as those opposite demonstrate their level of economic illiteracy, they are able to keep playing short-term politics—nothing but short-term politics.

(Time expired)

Nation Building and Jobs Plan

Senator LUNDY (2.05 pm)—My question is to Senator Evans, the Minister representing the Prime Minister. Can the minister explain to the Senate why the government is committed to implementing its stimulus package, the Nation Building and Jobs Plan, urgently?

Senator CHRIS EVANS—I thank Senator Lundy for the question. Senator Lundy raises the very important issue confronting Australia today, which is the impact of the global financial crisis on the Australian economy. What we are seeing throughout the world is an enormous downturn in the economies of the world. Six out of 10 of Australia’s top trading partners are already in recession. Six out of 10! That has already seen Commonwealth revenue revised downwards by $115 billion since November—$115 billion off the expected revenue to the Commonwealth revised since November.

These economic factors—these international factors—are beginning to bite very hard on the Australian economy. They are biting hard on Australian jobs, Australian businesses and Australian families. The Labor government’s Nation Building and Jobs Plan is designed to provide an immediate economic stimulus, to act decisively and urgently to try and protect the Australian economy from these impacts.
We have a well-targeted plan designed to provide two impacts. Firstly, we have a short-term boost to economic activity by stimulating consumption, to protect jobs and small business and to try and prop up confidence and, secondly, we have a long-term $28 billion investment in school, roads and housing that will provide job opportunities to Australians over the coming years but that will also build infrastructure to give our kids better facilities at schools, to provide roads in rural and regional Australia and to provide much needed housing. So there is a short-term strategy and a long-term strategy. It is all about providing support for the Australian economy and supporting jobs and business. It is urgent that the parliament support this initiative rather than put jobs at risk.

**Senator LUNDY**—Mr President, I ask a supplementary question. I thank the minister for his answer. Can the minister outline to the Senate the response of industry groups to the government’s Nation Building and Jobs Plan?

**Senator CHRIS EVANS**—I thank Senator Lundy. I think the response from the Australian community broadly has been extremely positive about this package. People understand the need for it and overall the reaction has been that we have got the balance right. The Property Council, the Australian Constructors Association and other industry groups are all saying that this is a good package and that it needs to be implemented urgently. The Property Council of Australia said:

> Every dollar that goes into the construction sector has a multiplier effect—it is spent three times over in the economy. This makes for an ideal measure of a well thought-out stimulus package.

The Australian Constructors Association says that it is a thoughtful and well-targeted program. The opposition are alone in their criticism of this package. All the major economic commentators and all the major industry associations urge the opposition to pass this and protect Australian jobs.

**Senator LUNDY**—Mr President, I ask a further supplementary question. Can the minister please detail the response from the not-for-profit and environment sectors to the Nation Building and Jobs Plan?

**Senator CHRIS EVANS**—In an unusual consensus across the Australian community, not only have business groups been highly supportive of the package but groups like Anglicare Australia, Catholic Social Services Australia, the Brotherhood of St Laurence, the Climate Institute and the Clean Energy Council are all saying that this is a good package that is well targeted, well timed and absolutely urgently needed. This is a reaction across the Australian community. Even green groups, who are not very happy with us at the moment, are saying that this is a great package and that it is urgently needed. We have the support of all the state premiers, including Mr Barnett, the WA Liberal Premier. They know that the stimulus package is required. They know what is impacting on WA and the rest of Australia as a result of the downturn of the economies of our trading partners. We have strong support across the Australian community, and the parliament ought to support his initiative in the national interest.

**DISTINGUISHED VISITORS**

**The PRESIDENT**—Order! I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from the Republic of Chile led by Mr Guillermo Ceroni MP, Vice-President of the House of Representatives. 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

Economy

Senator JOYCE (2.10 pm)—My question is to Senator Conroy, the Minister representing the Treasurer. I refer to the minister’s failure to inform the Senate yesterday, when asked, what the interest bill would be on Labor’s $200 billion debt. Has the minister been decisive and sought that information? If so, will he tell the Senate what this interest bill will be?

Senator CONROY—I think that I answered that question yesterday, Senator Joyce; I think that I spelled it out. I read out what the increase was and gave you a very specific figure, so I am a little confused by that question. But perhaps the follow-up question might have a bit more substance to it.

Senator JOYCE—Mr President, I ask a supplementary question. I find that answer quite indecisive. Given that the minister still cannot tell us what the interest bill will be, can the minister indicate whether the government has factored the projective bill into the Updated Economic and Fiscal Outlook, which was released on Tuesday?

Senator CONROY—The government has absolutely clear on this. To repeat it for you, on current projections, net interest payments are forecast to rise to $2.6 billion, 0.2 per cent of GDP, in 2011-12. That is the answer to the question.

Senator JOYCE—Mr President, I ask a further supplementary question. So $2.6 billion is the decisive answer. Given that the minister after one day’s notice has not been able to provide the Senate with the critical information for the long term, will he undertake to have this information available by the end of question time?

Senator CONROY—I am a little perplexed because I have just given a very specific answer to the question. I guess when you already have the three questions written out in front of you and you get an answer and you do not how to deal with that answer you just have to read the next one out. But let me be clear: net interest payments, as I have just said, are forecast to rise to $2.6 billion, 0.2 per cent of GDP, in 2011-12. I do not know how much clearer I can be, Senator Joyce; I truly do not know how much clearer I can be.

Nation Building and Jobs Plan

Senator LUDLAM (2.13 pm)—My question is to Senator Conroy, the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government. Given the tangible economic and social benefits to people in need offered by public transport and cycling infrastructure and the extremely overburdened or non-existent public transport systems on our city fringes and in our regional towns, can the minister explain why the government’s economic stimulus package contains no funding streams or appropriations for public transport?

Senator CONROY—Thank you, Senator Ludlam. Being asked to answer a negative is always an entertaining challenge. Let us be clear. The government has focused its priority on schools; it has focused its priority on infrastructure for roads; it has focused its challenge on consumption and helping Australian families. No-one is suggesting that in the upcoming budget none of these issues could be addressed. But this is a very specific package that is designed to alleviate the pressure on the economy and try and support 90,000 jobs. That is the challenge. That is what is before you. We have put forward a stimulus package based on all of the evidence around the world, as six of our major trading partners are sliding into or already in recession. To stop Australia sliding into re-
cession, as on current forecasts, this package will stimulate the economy, it will deliver jobs and it will deliver protection for families. For all of those in this chamber—

Senator Ludlam—Mr President, I raise a point of order. The question that was directed to the minister was why public transport specifically had been left out of the package. I would appreciate an answer to that question.

Senator Conroy—This is about what is needed urgently in this country to address a recession. Buses, last time I checked, travelled on roads; railway crossings usually have trains going across them. These are measures that deal with aspects of public transport. But let us be clear that this is a package that delivers immediate stimulus to address the very specific problems that have emerged in the last few months, and particularly with the IMF’s forecasts over the last few days. We have put in place a stimulus package—(Time expired)

Senator Ludlam—Mr President, I ask a supplementary question. The Senate is fairly familiar with the minister’s brief on the overall justification for the package. I am interested, given that the stimulus package invests $6 billion to fast-track 20,000 units of public housing, in what planning the government is doing—it may not be doing any—to ensure that the new housing is well served by public transport and does not strand low-income people in car dependent and congested communities.

Senator Conroy—I am not quite sure how relevant that was to the primary question, because that was about housing, and I am not actually sure that I have carriage of public housing questions. So I would defer the question to my colleague. But, from the information I have to hand for you, stage 1 of this new initiative will fund the construction of around 2,300 dwellings that are already planned and approved, with construction to commence this financial year. The government anticipates that around 15,000 dwellings will be ready for occupancy by the end of 2010, with the remainder to be available by the end of 2012.

Honourable senators interjecting—

The President—Order! Senator Bob Brown is on his feet.

Senator Sherry interjecting—

Senator Ian Macdonald interjecting—

The President—Order! Senator Sherry and Senator Macdonald, I am waiting to hear from Senator Bob Brown.

Senator Bob Brown—Mr President, I raise a point of order. The question was very clearly about public transport facilitation at this housing, and the minister should address that question.

The President—The minister has 12 seconds left to answer the supplementary question.

Senator Conroy—I am quite specifically talking about a question that revolves around public housing and transport, and I am giving information very, very specifically and dealing very relevantly with a question that combines—(Time expired)

Senator Ludlam—Mr President, I ask a further supplementary question. Given that immediately buying more buses and trains made in Australia would get jobs into the transit manufacturing sector and the cycling sector and address the urgent demand for public transport, when can we expect an announcement of a government plan for the transit manufacturing sector?

Senator Conroy—I have to say I am not sure that the premise of that question is actually factually correct, Senator Ludlam. I do not have a lot of experience in ordering buses, trains and carriages, but I do understand there is a fair amount of lag time involved. Let me be clear: I do not think the
premise of your question is accurate, because you do have to place these orders and they have to be slotted in behind existing orders. So I do not think the premise is correct. But we are committed to addressing the short-term needs of the economy, as have been exposed by the IMF report, which shows the international economy is plunging into a recession at breathtaking speed. Our response is about maximising the chance of supporting 90,000 jobs in Australia and working in the current environment—(Time expired)

**Nation Building and Jobs Plan**

**Senator BARNETT** (2.20 pm)—My question is to Senator Conroy, the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government. Precisely how will the government ensure that their so-called stimulus plan for schools and infrastructure does not encourage further state Labor mismanagement of their responsibilities?

**Senator CONROY**—Thank you for that question. I appreciate that the Prime Minister and the premiers have only just held the press conference. I was able to watch a little bit of it before I came in here. Possibly Senator Barnett did not get an opportunity to see that. Quite clearly, the Prime Minister has stated that, firstly, we make no apology at all for investing in schools, something those opposite have been laughing at and making a mockery of. We make no apology. We have signed the states up to the toughest criteria to ensure that there is no substitution—there is no withdrawing of state funds and topping up with Commonwealth funds. That was the agreement that even the Premier of Western Australia signed off on.

I watched as much of that press conference as I could before I came in here. It is quite clear that the COAG communique sets out the responsibilities of state governments. They will not be allowed to withdraw their funding for programs and substitute Commonwealth funding. Let me quote from the communique:

... a process to ensure that there is no substitution of capital effort by the states in the areas of schools, energy-efficient homes, social housing, regional roads, black spots and boom gates, overseen by heads of treasuries and reporting to COAG through the Ministerial Council for Federal Financial Relations.

So there is a very specific commitment that the states have signed up to, and we will be holding them to that. (Time expired)

**Senator BARNETT**—Mr President, I ask a supplementary question. Is the minister aware that federal Labor abolished the coalition’s Investing in Our Schools Program? Secondly, is the minister aware of a statement made by Premier David Bartlett today on ABC radio in Tasmania where he said:

We have projects in housing and in schools that are ready to roll, ready and waiting for this sort of injection.

Hasn’t the Tasmanian Premier, Mr Bartlett, today confirmed that infrastructure funds merely replace already planned state government spending with borrowed federal debt?

**Senator CONROY**—When you write your supplementary question before you hear the first answer, you are going to end up sometimes in a slightly embarrassing position. I have just read to you from the communique that Premier Bartlett has signed. It is quite clear. As you appear not to have heard it the first time, I will happily read it to you a second time. It says:

... a process to ensure that there is no substitution of capital effort by the states in the areas of schools, energy-efficient homes, social housing, regional roads, black spots and boom gates, overseen by heads of treasuries and reporting to COAG through the Ministerial Council for Federal Financial Relations.
It is set out in black and white. There has just been a joint press conference. Perhaps in your rush to get the question through the tactics committee this morning you did not get a chance to update it because of the announcement. This is now new information.

(Time expired)

Senator BARNETT—Mr President, I ask a further supplementary question. The minister has clearly not answered the question as to his awareness of Premier Bartlett’s statement. How will the substitution of federal funds for state funds stimulate the economy? Is the government merely bailing out Labor state governments, after a decade of incompetence, at the expense of future generations of Australian taxpayers?

Senator CONROY—Those opposite, who all of a sudden have discovered the words ‘schools’, ‘hospitals’ and ‘infrastructure’, who starved the states of public housing funding, who starved the states of hospital funding and who starved the states of education funding, now want to stand here and be taken seriously. If you want to be taken seriously on schools, on infrastructure and on roads, vote for this package. If you want to be taken seriously, vote for this package to protect families and to protect jobs.

When you return to Tasmania and start explaining to people that you are more interested in playing short-term politics than protecting their jobs, you will suddenly discover that all the short-term politics in the world will not protect you from voter backlash. What you are putting forward here is crocodile tears about public infrastructure when you had 12 years to do something about it. What you did was rip the funds out of all public infrastructure. (Time expired)

Nation Building and Jobs Plan

Senator ARBIB (2.26 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister inform the Senate how the education initiatives in the Nation Building and Jobs Plan will further the government’s innovation agenda?

Senator CARR—I thank Senator Arbib for his question and note that at least he is asking a question to the minister who is actually responsible for this area. Education and innovation go hand in hand. The purpose of the education system is to nurture creativity. The purpose of the innovation system is to harness that creativity. The government’s $14.7 billion Building the Education Revolution initiative is a huge, long-term investment in our innovation capacity. It will give schools the physical facilities they need to do their job properly. Remember that there is something in this initiative for each and every Australian school. The Independent Schools Council of Australia ‘supports the inclusive nature of this package’.

The opposition of course have different ideas. They want to slash the investment to $3 billion. That is one-fifth of what is actually needed. Under the opposition’s plan, four out of five schools will miss out. Perhaps Senator Minchin can tell us which South Australian primary schools he wants to deny a hall or a library. Senator Barnett and Senator Abetz, perhaps you can tell us which Tasmanian secondary schools you want to deny urgent maintenance and upgrades.

When you invest in education, you are investing in our capacity to come up with new and better products and services, which is the key to maintaining Australia’s prosperity in an increasingly competitive world. All of this is lost on the opposition. The world is in crisis and they want to play politics. (Time expired)

Senator ARBIB—Mr President, I ask a supplementary question. Can the minister explain how the science and language cen-
tres included in the secondary schools component of the package will improve innovation outcomes?

Senator CARR—This initiative includes a $1 billion fund to build up to 500 science and language laboratories in secondary schools. This will increase our ability to create the technologies of the future and to participate in international collaborations. It complements the incentives this government has introduced to get more students to do maths and science at universities. Sir Robert Menzies is still remembered for building high-school science laboratories in the 1960s. Apparently, the Leader of the Opposition wants to be remembered for denying Australian children state-of-the-art laboratories. Apparently, he wants to be remembered as Malcolm the destroyer—the destroyer of jobs, homes, schools and businesses. It is little wonder that Peter Costello looks so cheerful today. (Time expired)

Senator ARBIB—Mr President, I ask a further supplementary question. Can the minister explain how the government’s Nation Building and Jobs Plan increases educational equity and social inclusion?

Senator CARR—Building the Education Revolution includes two specific measures to improve educational equity. The back-to-school bonus of $950 per child will help low- and middle-income families meet educational costs for the 2009 school year. The $950 training and learning bonus will help students and people outside the workforce with their educational costs in returning to study. Universities Australia have welcomed this measure but the opposition has rejected it. They believe in supporting working families and seeking to increase their job and life opportunities by improving their education. Why doesn’t the opposition take that view? The opposition, of course, does not care how much pain and how much suffering it inflicts upon the Australian people. It is time they took off their neoliberal blinkers and had a look at what is actually happening in the real world. It is time they stood up for Australian jobs. (Time expired)

Schools Infrastructure

Senator MASON (2.31 pm)—My question is to that famous economic conservative, Senator Carr, the Minister representing the Minister for Education. How many of the primary school building projects proposed by the government in their stimulus package are shovel ready—that is, ready to commence construction immediately?

Senator CARR—Senator Mason, I thank you very much—

Opposition senators interjecting—

The PRESIDENT—Order! It is not much use asking the question and then shouting, because I cannot hear the answer and I need to hear Senator Carr.

Opposition senators interjecting—

The PRESIDENT—Order! I will wait until there is quiet before I call Senator Carr—simple as that.

Honourable senators interjecting—

The PRESIDENT—Order! I will call Senator Carr when there is order on both sides. Senator Carr.

Senator CARR—Thank you, Mr President, and I thank Senator Mason for his question. I recall it was not so long ago that he was giving us lectures about being on the wrong side of history. It is a pity he has not learnt from that experience, because if ever there was a political organisation on the wrong side of history it is the Liberal Party. If ever there was an organisation that was out of touch—way, way out of touch—with the needs of ordinary Australians it is the Liberal Party. The neoliberal philosophy of the Liberal Party—
Senator Abetz—Mr President, I raise a point of order. The minister is now 25 per cent of the way into his time to answer the question, which was very specific as to how many of the primary school buildings were ready to commence construction immediately. We do not need the sort of rant and tirade that we got which is completely and utterly irrelevant and therefore in clear breach of the standing order which requires the minister to be directly relevant.

Senator Faulkner—Two points, Mr President, on the point of order. First of all, it may or may not have been tongue in cheek but I did note that Senator Mason, in asking the question, described my colleague Senator Carr as an ‘economic conservative’—and that is obviously a matter that Senator Carr would want to address. Secondly, in response to Senator Abetz’s point of order, I make a similar point to that I made yesterday in relation to relevance. This is a very early stage of Senator Carr’s answer. There is forthcoming another three-quarters of an answer to a primary question, two supplementary questions and two answers. I would respectfully suggest it is a little early and quite preposterous for Senator Abetz to be taking such a point of order.

The PRESIDENT—Senator Carr, you have one minute 27 seconds in which to address the question that has been asked by Senator Mason.

Senator Abetz—Mr President, by recalling Senator Carr without indicating anything, are you ruling that his first 30 seconds was directly relevant to the question that was asked?

The PRESIDENT—I drew Senator Carr’s attention to the question that had been asked by Senator Mason and asked him to address the question.

Senator Ferguson—Mr President, on the point of order: I listened to Senator Faulkner’s comments in relation to whether or not Senator Carr was relevant and he made no attempt to suggest that Senator Carr was relevant but said that he had only used up one-quarter of his question time. To the best of my knowledge—and I just ask you to check—there is no provision in standing orders for a minister to use part of their answer to be totally irrelevant.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Ferguson has the call.

Senator Ferguson—To the best of my knowledge, there is no provision in the standing orders for any minister to allow for part of his question to be totally irrelevant while the rest of it is relevant.

Senator Chris Evans—Mr President, on the point of order: as I have indicated to those opposite before, if the senator asking the question seeks to make a commentary as they start the question or prior to asking the question then they cannot expect that not to be addressed. On this occasion the senator asking the question made a comment prior to asking his question. That Senator Carr responded to that is quite natural and to be expected, and then Senator Carr was to turn to the specifics of the question. He has had 33 seconds and he has not had the opportunity to get to the core of the question. If Senator Abetz stopped rising with fruitless points of order, the opposition would get a lot more questions, but it seems they are not interested in holding the government to account. Senator Ferguson’s remarks are quite wrong. If you want serious answers, ask serious questions. If you do not want ministers to make political responses, do not put them in your questions.

The PRESIDENT—Order! I have indicated quite clearly already that Senator Carr has one minute 27 seconds left to answer the
question and I draw his attention to the question that has been asked by Senator Mason.

Senator CARR—The government has announced a $14.7 billion Building the Education Revolution initiative. It is made up of three separate components: $12.4 billion is for primary schools for the 21st century. Round 1 of the program will see 20 per cent of schools with projects funded between the period of February and April 2009. States and territories and block grant authorities will be assessing proposals incorporating the views of parents, friends and citizens groups where appropriate and submit their lists to the Commonwealth so that the projects will start not later than June 2009. The second round, which will be aimed at 40 per cent of the other schools, will be in a similar manner, and round 3, which will be concluded by no later than December 2009, would see the remaining 40 per cent of schools with projects assessed. Of course, projects will come on stream as they are ready. That is the designation that has been agreed by COAG and announced today.

Senator MASON—Mr President, I ask a supplementary question. Will the minister guarantee that every one of Australia’s primary schools will get a new library, gym or multipurpose hall as promised by the package?

Senator CARR—It is the government’s intention to build or upgrade multipurpose halls, libraries and large-scale infrastructure for all primary schools, special schools and K-12 schools. It is intended that the program be rolled out in terms of the timetable that I have outlined to you today. It is our expectation that every one of Australia’s 9,450 schools will secure direct benefit from this project. What is standing in the way of that? Those gentlemen and those women on that side of this chamber. You are standing in the way of achieving benefits for 9,450 schools.

Senator MASON—Mr President, I ask a further supplementary question. Which 500 of Australia’s secondary schools will receive a new science and language lab under the stimulus package? Importantly, will the minister guarantee that these new facilities like those for the primary schools will be delivered as promised and on budget?

Senator CARR—I am at a loss to understand the Liberal Party’s attitude. They have already announced they are going to vote against this package. They have announced they are rejecting this package. Irrespective of the evidence, irrespective of the need and irrespective of the consequences, they have announced they are going to vote against this package. Nine thousand schools in this country are going to be put at a severe disadvantage as a direct result of the Liberal Party’s action. Now we are asked whether or not we can guarantee that the announcements made today by the Prime Minister and the premiers of this country will be honoured. The only reason they will not be honoured is if you are successful in your extraordinarily destructive attitude aimed at the Australian people and aimed at hurting working families of this country.

Senator Coonan—Mr President, a point of order relating to the standing order requiring the minister to be directly relevant in his answer: the very clear question that the minister has not addressed although well into his answer to the supplementary question—is whether he will confirm that only 500 of Australia’s secondary schools will receive a new science and language lab under the package and, secondly, whether these facilities, like those for the primary schools, will be delivered as promised and on budget. Without taking up Senator Faulkner’s earlier comments in relation to points of order, there was no commentary or comment from Senator Mason, who asked a perfectly straightforward question in his second supplemen-
tary, and instead we have from Senator Carr an absolute tirade about what may or may not happen to votes on the package. Clearly that has nothing to do with the opposition’s right to ask the minister straightforward questions about this package.

Senator Chris Evans—Mr President, on the point of order: the minister was asked a question about whether he could guarantee delivery of the program, and he made the most important point in response, which was that, if the opposition were successful in voting down the package, he could not guarantee it but that, if the opposition voted for the package, there was a capacity for us to implement the program. He was perfectly on message and perfectly on the answer. The other point I would like to raise with you—

Honourable senators interjecting—

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

Senator Chris Evans—Mr President, while I am on my feet I just want to make another point in relation to the point of order which is that Senator Coonan took her point of order when the minister had 10 seconds remaining. This is another stunning tactic, and I make the point that the opposition are making a farce of question time when they ask for one-minute answers then interject and take a point of order with 10 seconds remaining. It is completely disrupting question time and limiting the number of questions able to be asked.

Senator Abetz—Mr President, I was wondering if you might be as good as to indicate to the chamber when it is too early to take a point of order, when it is too late to take a point of order, whether it should be at exactly the halfway mark, or when it is just right for Senator Evans or the hapless Senator Carr. Really, Mr President, that last point of order by the Leader of the Government in the Senate just shows how incompetent they are in everything they do.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Carr and others on my right, I am waiting to call Senator Ludwig. Senator Ludwig.

Senator Ludwig—Mr President, on the point of order. Unfortunately, now what we have seen from the opposition on the point of order is an embarrassing tirade about nothing because what the opposition have now risen on is a point of order, not the original matter. Senator Abetz did not rise on the original matter but went off on a flight of fancy of his own, complaining about another point of order. Mr President, my submission is that, if you are going to take a point of order, you should say whether it is about relevance or about what was originally raised. You did not respond to that and you have to respond to that in that instance. My submission is that Senator Carr was relevant to the question.

The PRESIDENT—Senator Carr, you have 10 seconds left to address the question that has been asked by Senator Mason.

Senator CARR—The government has announced its commitment to $1 billion for the Science and Language Centres for the 21st Century Secondary Schools program. It is designed to assist schools with a demonstrable need—(Time expired)

Alcopops

Senator XENOPHON (2.47 pm)—My questions are to Senator Ludwig, the Minister representing the Minister for Health and Ageing. In light of Senator Cormann’s successful motion yesterday in relation to total revenue and alcohol consumption due to the alcopops tax, I ask the minister the following: what proportion of revenue that has been raised from the alcopops tax to date has been used to fund drug and alcohol education and addiction programs, and what are the details
of those programs; and, further, how much of this expenditure is actually devoted to new rather than pre-existing programs planned before the announcement of the tax?

Senator LUDWIG—I thank Senator Xenophon for his excellent question. Can I say at the outset that in respect of the budget itself, it is worth highlighting the fact that $3.1 billion was raised through this measure. However, that is likely to be revised downwards partly due to the success of the program that has been implemented. I can say that the details of the program were announced last year as part of the $53.5 million National Binge Drinking Strategy. There was $14.4 million to invest in community-level initiatives to confront the culture of binge drinking particularly in sporting organisations.

Honourable senators interjecting—

The PRESIDENT—Order! Resume your seat, Senator Ludwig. Whilst we do have a microphone system, and we do have speakers around the place, there is loud noise which makes it difficult for Senator Xenophon and other senators to hear the answer. In particular, Senator Xenophon is entitled to hear the answer to the question.

Senator LUDWIG—As I was saying, $19.1 million was provided to intervene early to assist young people and ensure that they assume personal responsibility for their binge drinking, and $20 million was provided to fund advertisements that confront young people with the costs and consequences of binge drinking. The National Preventative Health Taskforce has been assigned alcohol as one of its three priority areas and released a discussion paper, an alcohol technical paper, last year. It will report back to the government in mid-2009.

Senator Xenophon also asked about new money. I can say that the government is taking action on binge drinking and preventative health. When the alcopops measure was announced, Minister Roxon said that this change ‘will see the single biggest investment ever by a Commonwealth government into preventative health measures’. And, behold, at COAG the government announced the largest ever investment in preventative health of $872 million. This is all new money. Tackling alcohol abuse will figure highly in the national partnership. That is a significant proportion of the revenue to be collected, which we will be making public in the near future. The government was always realistic about the fact that significant prevention funding would be provided through COAG and that it would take, of course, some time to finalise. (Time expired)

Senator XENOPHON—Mr President, I ask a supplementary question. How much money has actually been spent to date on these programs since introduction of the tax, and what evidence can the minister provide that there has not been widespread drink substitution amongst young drinkers since the introduction of this tax, with young people choosing to either mix spirits themselves or turn to a wider array of new wine and beer based alcopop drinks which are not subject to the new tax?

Senator LUDWIG—There was a range of matters in that question and in the short time I have available I will see if I can provide further information, but I may not get an opportunity to address them in the given time. Whether at-risk teenagers prefer other drinks is one of the matters that Senator Xenophon turned to. Teenagers who drink alcohol at risky levels have a stronger preference for alcopops compared to low-risk drinkers. That information was from the 2007 National Drug Strategy Household Survey. As we know a very, very high proportion of at-risk teenage drinkers are drinking alcopops as one of their favourite drinks. The 2007 National Drug Strategy Household
Survey showed—which is, of course, one of the concerns of this government and why we are acting—that, of females aged 14 to 19 who consume alcohol at risky and high-risk levels, 75.3 per cent reported that they usually consume RTDs in a bottle when drinking alcohol, 75.9 per cent reported—(Time expired)

Senator XENOPHON—Mr President, I ask a further supplementary question. What data is available and what surveys and research have been conducted by the government, or are available to the government, to confirm any change in alcohol consumption across the board since the introduction of the alcopops tax, particularly for young people?

Senator LUDWIG—As I indicated in my answer to your first supplementary question, for any matters that I have not addressed in the broad, I will seek further information from the minister to see what we can make available. However, the third part really supports what they have been saying about alcohol measures to date. An independent report was commissioned by the then Howard government. I know it is not since the introduction of the alcopops tax, particularly for young people?

Senator SCULLION—Mr President, I rise on a point of order. Perhaps the minister simply did not understand the question. I will repeat the crux of the question: what is the government’s estimate of the carbon dioxide that
will be emitted in the manufacture and distribution of the insulation required for the 2.2 million homes targeted under the government’s program? The reason I have repeated the question is that clearly she was nowhere near giving any of that information. I am simply giving her the benefit of that. She may not have heard the question.

The PRESIDENT—Senator Wong, there are 56 seconds left in which to answer the question. I draw your attention to the question.

Senator WONG—Senator Scullion, I did hear the question. I am aware of the fact that insulation does reduce energy consumption and, therefore, Australia’s greenhouse gas emissions. In terms of production and so forth, the best way to reduce emissions from those sorts of industrial processes is if the coalition deal with their internal differences and support a market based mechanism such as the Carbon Pollution Reduction Scheme which will reduce Australia’s emissions in those covered sectors in the cheapest way possible.

Senator Coonan—Mr President, I rise on a point of order relating to the requirement for the minister to be directly relevant. Question time is rapidly descending into an absolute waste of time. If ministers are asked a specific question about a topic that they should be right across, and having been obviously subject to some decisions in cabinet where this would have been specifically looked at, it is reasonable to ask the minister what the government’s estimate is of the levels of carbon dioxide that would be emitted in the manufacture and distribution of the insulation that forms part of the package. The minister should be required to be directly relevant. We would certainly ask that you remind her that she has not addressed the question that has been put in a perfectly reasonable and straightforward way.

The PRESIDENT—I remind the minister that she has 18 seconds in which to answer the question that was asked by Senator Scullion.

Senator WONG—As I was saying, the government has estimated an amount that we believe will be reduced in terms of Australia’s emissions as a result of this energy efficiency measure. In terms of the improvement of the carbon pollution of various industrial processes, such as the manufacture of insulation batts, the best way of dealing with that—(Time expired)

Senator SCULLION—Mr President, I ask a supplementary question. It is clear that the minister does not know the answer to my first question. Could she take this opportunity to take that on notice. Would she also be able to undertake to provide an answer to the Senate before demanding the passage of this legislation?

Senator WONG—To be honest, I am not sure why the opposition would want that, given they have already decided to oppose this package.

Senator Scullion—I am a bit miffed about the exact answer to the question—whether or not—

The PRESIDENT—Senator Scullion, you can ask a further question.

Senator SCULLION—Mr President, I ask a further supplementary question. Further to undertaking to take the previous question on notice, will the minister now undertake to table the modelling from which the 49.4 million tonne calculation has been derived? If she is shaking her head, the rationale for the question is that I think the Senate cannot be expected to approve such significant expenditure if it is clear that there has not been even the slightest rigorous debate of the merits or otherwise of this package, even at cabinet level.
Senator WONG—If I had a little more time, I could provide some indication of the take-up and the estimates which underpin this. I understood the opposition had referred these matters to a committee, and I am sure those matters will be properly canvassed there.

Nation Building and Jobs Plan

Senator MARK BISHOP (3.00 pm)—My question is to the Minister for Superannuation and Corporate Law, Senator Sherry. Can the minister update the Senate on responses to the government’s $42 billion Nation Building and Jobs Plan, including any alternative views?

Senator SHERRY—As is well known, the Labor government, acting decisively, has announced a $42 billion nation building and jobs package in response to the global financial and economic crisis. We know that the Liberal opposition have announced they will oppose this, largely on the grounds of budget deficit and accrued government debt. However, what we have had from the opposition in the last day is a major superannuation announcement. The Leader of the Opposition, Mr Turnbull—this was confirmed last night—and the shadow minister, Mr Pearce, have announced a new approach to superannuation. They are arguing that the government should in fact pay the superannuation guarantee obligations of a substantial proportion of businesses in Australia. This is their new proposal. I have here a copy of the press release on the opposition’s new proposal to pay superannuation entitlements from the budget for a substantial proportion of Australian businesses. At the end of this press release, however, there is no cost as to this proposal.

Of course I thought that Treasury should be asked to cost this. It is truly staggering, given we have an opposition that is complaining about budget debt and government debt, what the Liberal opposition proposal on superannuation would cost the nation were it to be adopted. In the initial two years of the superannuation proposal of the Liberal opposition it would cost some $20.5 billion—and this was the announcement made last night. Over three years—(Time expired)

Senator MARK BISHOP—Mr President, I ask a supplementary question of the minister, arising out of his response. Can the minister further update the Senate on any other aspects of the government’s Nation Building and Jobs Plan and on uncosted alternatives to this plan?

Senator SHERRY—The Liberal alternative superannuation plan would cost, over three years, $31.5 billion. Over four years, which is about the same time as the Labor Party’s $42 billion package, the Liberal superannuation policy would cost $43 billion, a larger cost—in a superannuation policy from the Liberal opposition—than the Labor Party’s $42 billion plan. And this is from an opposition which argues we should not have such large budget and government deficits! (Time expired)

Senator MARK BISHOP—Mr President, I ask a further supplementary question. Can the minister update the Senate on any measures the government is taking to support small business in these difficult times?

Senator SHERRY—If we add that $43 billion costing for the new superannuation plan announced by the leader of the Liberal opposition and the shadow minister, Mr Pearce, to the already announced proposals of the Liberal opposition, which have come to $15 billion, that means the grand total of the Liberal Party announcements to date to stimulate the economy comes to some $58 billion.

Government senators interjecting—
Senator SHERRY—That is significantly more than the Labor Party’s $42 billion package.

Government senators interjecting—

Senator SHERRY—We have Liberal Party senators coming in here complaining about the cost of Labor’s—

The PRESIDENT—There is too much noise. Order on my right!

Senator Ian Macdonald—Mr President—

The PRESIDENT—I am calling for order, Senator Macdonald. When I have order I will give you the call.

Senator Ian Macdonald—Mr President, I rise on a point of order. I want to help the questioner by asking you to direct the minister to actually answer the question he was asked. So far the minister has not mentioned, has not referred to, the subject of the supplementary question.

The PRESIDENT—The minister has 12 seconds left in which to answer the question. I draw your attention to the question, Minister.

Senator SHERRY—Thank you, Mr President. I understand why the Liberal opposition are now concerned about recent policy announcements: they are obviously not aware of the costings of their own policy announcements. So far the minister has not mentioned, has not referred to, the subject of the supplementary question.

The PRESIDENT—The minister has 12 seconds left in which to answer the question. I draw your attention to the question, Minister.

Senator SHERRY—Thank you, Mr President. I understand why the Liberal opposition are now concerned about recent policy announcements: they are obviously not aware of the costings of their own policy announcements. So far the minister has not mentioned, has not referred to, the subject of the supplementary question. (Time expired)

Senator Barnett—Mr President, I rise on a point of order. The minister has consistently throughout his answer referred to Treasury costings and has not tabled those costings. I ask you to ask the minister to table the evidence of those costings.

The PRESIDENT—There is no point of order.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS
Automotive Industry

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.06 pm)—Mr President, I have some further information from the Treasurer in answer to Senator Abetz’s questions without notice on 3 February on car dealers. I have already given him a copy. I seek leave to incorporate it.

Leave granted.

The document read as follows—

Question:
How many car dealers facing closure as a result of the government’s bungled unlimited deposit guarantee have received new financing arrangements under the government’s special purpose vehicle announced last year?

Response:
In light of the global financial crisis, the Government’s actions in establishing the SPV were necessary to ensure the car dealers had immediate access to floor plan financing.

The announcement of two major car dealer financiers, GE Money and GMAC, exiting the Australian market reveals the challenges being faced by the industry.

The remaining finance providers—such as St George, Esanda and Capital Finance—have been quite active over recent weeks in financing a large number of former GE and GMAC dealerships.

GE and GMAC have also adopted an orderly approach in the wind down of their Australian operations. This is positive news for the Australian car industry.

The Government is continuing to work with Credit Suisse, the banks and the car industry so that when GE and GMAC depart, those viable dealers that need finance will be able to get it.
An announcement will be made in coming weeks on the actual size of the SPV once GE and GMAC close their books.

Will the minister explain to the Senate the definition of a ‘viable’ business, as outlined in the special purpose vehicle guidelines?

The SPV will support viable dealerships that are able to meet the normal credit approval processes of the financiers of the SPV.

Credit Suisse is providing the necessary technical support to develop the SPV. Treasury is also working closely with the major banks, Credit Suisse and its advisers.

Is it a fact that despite the government’s rhetoric the special purpose vehicle will not prevent dealership closures and job losses in the car retailing sector? Why won’t the government simply come clean and admit that this situation could have been avoided if it had consulted with and listened to the Reserve Bank before rushing to introduce its foolish unlimited deposit guarantee?

The Government’s actions in establishing the SPV were necessary to ensure the car dealers had immediate access to floor plan financing, as a result of ongoing global financial challenges.

The announcement by two major car dealer financiers, GE Money and GMAC, to exit the Australian market reveals the challenges being faced by the industry.

This placed great pressure on a large number of car dealerships and the Australian automotive industry more generally.

The Government’s actions in establishing the SPV supports the long-term viability of the automotive industry and forms part of the Government’s commitment to protect jobs in this vital industry and right across the Australian economy.

ECONOMY

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.06 pm)—I seek leave to make a brief statement.

Leave granted.

Senator JOYCE—During question time in response to my question to Senator Conroy it was implied by Senator Conroy that he gave the answer yesterday as to costings. I have since gone back to the Hansard and want to read onto the record exactly what he said yesterday:

As I was saying, those opposite have no understanding of how the economy works. They have lost all corporate memory. Increased borrowing to fund the temporary deficit will impose a short-term cost on the budget. On current projections—

So he did not give any costings yesterday.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Nation Building and Jobs Plan

Senator MASON (Queensland) (3.07 pm)—I move:

That the Senate take note of the answers given by the Minister for Innovation, Industry, Science and Research (Senator Carr) and the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to questions without notice asked by senators today relating to the proposed economic stimulus package.

Paradoxically, in politics the truth often comes from unusual sources. This morning I was reading the Australian Financial Review and an article by a former Labor leader, Mr Mark Latham. He said this, speaking about Mr Rudd and Mr Swan:

They—

Mr Rudd and Mr Swan—

have jumped all over the financial crisis, not with a clear economic strategy in mind, but with an urgent sense of the political opportunity it presents.

This is not an economic stimulus package; this is a political stimulus package. A principal part of the package, as Senator Carr did say—and I agree with this—was the so-called second tranche of the education revolution. The government promises to provide a school hall for every primary school in our nation, at a total cost of about $15 billion. It sounds good. On the face of it, it sounds terrific. But I know of schools that already have a school hall, that do not have room for a
school hall or that have even more pressing priorities. The opposition believes that schools should be able to determine how that money is spent—that school principals, school boards, parents and teachers know much more than a central government about how to spend money in primary schools. We should decentralise this back to the schools who need the money. That is why the opposition is proposing to again commence the Investing in Our Schools Program that was scrapped by the Labor government. Doing that was absolutely ridiculous. Labor have this view of a great leap forward, spending billions of dollars, and they do not even know if primary schools need it. School boards, principals and teachers know far more than the Labor government here in Canberra about how to spend billions of dollars.

The Investing in Our Schools Program would be far more efficient, because schools would set their own priorities; it would be far, far cheaper; and finally of course you do not have to deal with state governments. The fiasco thus far of the computers in schools program is all because it has had to go through the coffers of state governments. The great benefit of the Investing in Our Schools Program was that the money went from the government directly to the schools concerned and not through the sticky fingers of state governments—all the way to schools, principals, their boards, their teachers and their schools.

Thus far the education revolution has been a shambles. Just think of it. This is what is going to happen to the $15 billion that has been promised. The problem is the delivery of the service. What have we seen so far with the delivery of computers? One million computers were promised. At the end of the school year last year, how many computers had hit the desks of year 9 to 12 students across this country? I can tell you: about 10,000—one per cent of the computers promised. At this rate it will take 100 years for those one million computers to be distributed. So-called partnerships between state and federal governments have become an absolute shambles, with New South Wales in particular not wishing to take the computers because the federal government, until the other day, would not pay the infrastructure costs of those computers. Finally, when the federal government fessed up, they realised something—that their proposal was short-changed by $800 million. That is on Commonwealth estimates. It was short-changed, under budgeted, by $800 million. On this sort of form for the $15 billion now promised, it is not going to cost $15 billion; it is going to cost about $30 billion. It will be another shambles. What worries the opposition is not the commitment and the money; it is the fact that it has been impossible thus far for this government to deliver services to schools. Whether it is trade training centres or the Computers in Schools program, it has been an absolute fiasco. If Labor cannot put a computer on the desk of every year 9 to 12 student in this country—and they have not been able to—how the hell are they going to be able to deliver a school hall for every primary school in this country? It is absolutely impossible. (Time expired)

Senator MARK BISHOP (Western Australia) (3.12 pm)—When times change, when circumstances change, what reaction does a responsible, efficient, effective and caring government have? It changes its policy settings to cater to the new circumstances. We face in the forthcoming years the greatest economic challenge this country has faced—indeed, the world has faced—since the 1930s and the time of the Great Depression. That challenge facing Australia, the Australian people and the rest of the world is colloquially known as the global financial crisis. Its origins are now clearly understood. It is
caused by a meltdown of net debt instruments around the world and a gross rundown of the availability of credit—credit that is usually accessed by government, by corporations, by families, by businesses to carry on the ordinary and every day part of business and private life. It is the equivalent of a national economy.

So what is the reaction of the Rudd Labor government to this acknowledged emergency, this greatest threat to our times since the Great Depression? It is to extend a hand, to work in partnership with the Australian people. We are working together, facing and fighting this challenge together so that the Australian nation can overcome this challenge and go on living the lives that they have created for themselves.

So we have this problem: a lack of credit, a lack of finance, an anticipated lack of spending by government and corporations, a decline in consumption and, in the short term, a decline in growth. That change in immediate circumstances requires a change in reaction, a changed response on the part of government. So what does the Rudd Labor government propose to do? It proposes to engage in a modest increase in spending of some $42 billion over a period of three or four years to stimulate the Australian economy. One-quarter of that increase in spending will go to families to assist them in meeting immediate demands and payments—this will immediately be reflected in consumption and spending—and three-quarters will be spent immediately, and over the next two or three or four years, on assets and asset building—otherwise known as infrastructure. So $10 billion for families and $30-odd billion for infrastructure.

And what is going to be the net result of that increase, that package of $42 billion spent over a period of three or four years, which is apparently of such concern that it has caused the opposition to say—before they have examined the bills, before there has been any inquiry—that when it comes to a second or a third reading vote in this chamber, they will oppose it? What is the net increase? The net increase in debt is going to be from zero net debt up to five per cent—a lousy five per cent.

I ask the question: what is the current average of net debt in all 24 OECD countries? It is 45 per cent of their GDP. And this modest—the proper adjective is ‘modest’—stimulatory fiscal package to be brought by the Rudd Labor government into this chamber in due course is $42 billion, which will result in a net increase in debt from zero up to five per cent—a minimal amount, a modest amount. As I said, $10 billion is going to be spent on immediate consumption to keep people in work, to keep businesses active, to keep jobs going, and another $30 billion is going to be placed, over time, into assets.

The net result is twofold. The opposition shrieks in horror, does not understand the consequence of the figure and says, ‘We will oppose this package,’ without understanding that the increase is minimal and modest—modest by the standards of any well-run country in this world. The example of that is the OECD, where their current average net debt is 45 per cent of GDP, and we want to go up to five per cent to keep tens of thousands of people in work. (Time expired)

Senator BOYCE (Queensland) (3.18 pm)—I would also like to take note of the answers given by Senator Carr and Senator Conroy in question time today. I must admit I concur thoroughly with Senator Conroy when he says that there will be some senators going back to their constituents this weekend to say ‘sorry’. But it will not be the coalition senators; it will be the Labor Party senators. If we are apologising at all, it will be for the indecent haste with which it has
been attempted to put through this package. If you look at the number of emails that have come in, the number of phone calls that have come in, there is a small number that are saying, ‘Yes, give me the money.’ There are many saying: ‘I’m embarrassed. Why am I getting this money? I don’t need this money. There are plenty of people, like pensioners and the unemployed, who need this money more than I do.’ They are the ones who are going to be asking those opposite to apologise for spending a huge amount of money and for spending it in the areas that they are with so little notice of process as they go.

I was much amused by Senator Carr’s views on whether questions should be asked about the schools program. Why, he wondered, were we quizzing this package if we were not going to pass it? So we have the lovely double dip here from the government: do not query it, just pass it—oops, you are not going to pass it, so why query it? ‘Scrutiny? What’s that? We don’t want any.’ That is what this government is all about.

We have examples raised already by Senator Bob Brown about mistakes and errors in this package. If we are talking double dipping, let us look at some of the provisions that already involve double dipping. Parents who work part-time are quite likely to be eligible to receive the $950 twice. For students with jobs, there is also the possibility that a lot of them will be eligible to receive the $950 twice. Let us get this right. Let us look at this package with something that looks vaguely like scrutiny.

I was also quite interested to hear Senator Carr’s view about what happens in the real world, according to Senator Carr. We can see the result of that very poor research and that attitude in the very poor way, or the non-way, that the computers in schools program has been rolled out. What hope, what trust is there? That is certainly what P&Cs and schools are saying to us. What can we expect to be the reality of this program from a minister who does not understand what is really happening in the real world?

The problems go on and on. We have the suggestion that, for $14.7 billion, all 9,540 schools get a new hall or a new library. That is excellent for those that do not have one. That is excellent for those for whom this is a desperate priority. But of course they have not got a clue as to whether this is the case or not. Then we look at how this might be delivered in places like Queensland, by QBuild. This is a monopolistic government organisation described by Terry Sweetman in the Courier-Mail as ‘an organisation of monstrous inefficiency’. That comment was backed up just yesterday by talkback radio people who were quite keen on the idea of a schools package and quite keen on the idea of something that their schools actually want but who said that they do not want this delivered by an organisation universally regarded as ‘a costly, bureaucratic and inefficient monster’. This is yet another example of the poorly thought out results that you get when you try to bully legislation through the parliament. It is time that this government was brought to account.

Senator PRATT (Western Australia) (3.23 pm)—The Rudd government knows that it must do everything in its power to avoid a prolonged recession. This is about supporting jobs. We know that unemployment in this country is forecast to rise, and we are taking decisive action to contain it. Alternatively, those opposite can force families into unemployment, causing people to
lose their homes, causing further deflation in housing values and, indeed, causing further collapse in the building industry, with people forced to sell their homes for less than they owe. These are the consequences of the current global economic crisis, and it is not the future that we want for Australian citizens.

The Rudd government has, on that basis, taken decisive action with its $42 billion investment to support the Australian economy and jobs. We know that there is an overwhelming and immediate case for our Nation Building and Jobs Plan. There is a global recession around us, and the outlook has deteriorated just so sharply in the past few months. We know Australia is better placed than many countries, but we cannot resist the pull of these international forces. That is why our Nation Building and Jobs Plan is so important, as highlighted by our ministers in question time today. It has been carefully designed to support jobs and bolster the economy in the short term. It has been welcomed by commentators for doing just that.

The key to this plan is laying the groundwork for having a stronger economy when we emerge from this recession. We will do that by investing in essential community infrastructure like schools, housing and local road projects. The plan is about supporting these local economies and local jobs. We are also providing support to families and individuals to ensure that we keep demand and consumption in the economy flowing in the short term. These are important economic fundamentals that clearly those opposite are blatantly ignorant of. We have a global recession that has wiped $115 billion off the government’s revenue and has brought our budget into deficit. In the face of the most serious global recession since the Great Depression, there can and should be no apology for choosing to support Australian jobs. Of course, the government remains committed to returning the budget to surplus once we are through this recession. There is going to be a debt to repay, but repaying a deficit will be much harder if the whole economy falls over on its arse.

The DEPUTY PRESIDENT—Senator Pratt, I suggest you withdraw that comment.

Senator PRATT—I withdraw. We need to cushion the economy’s fall or it will fall much further. We know how hard we have been hit by this global recession. I see it in Western Australia, where we have lost hundreds of jobs already. We have lost 300 from Lennard Shelf and 180 from Cloud Break. We have 300 to 500 projected job losses at Argyle Diamonds. We have already heard about the 1,800 to 3,000 at Ravensthorpe. We have lost 300 at Mount Keith, 400 at Telfer, 190 at Koolan Island, 200 at Wicherina and 70 at Spinifex Ridge. Where are these workers going to go? We need to restimulate and create jobs, and the Rudd government is doing just that. We will create new jobs in communities throughout Australia in local construction, in our schools and through our investment in schools. It is a tragedy that so many Australians are losing their jobs, so the Rudd government needs to make no apology for pursuing these policies.

When those opposite get their economics straight, they will understand that there are certain times when it is quite fine to move into deficit and support the economy and stimulate the economy so that it does not fall further. (Time expired)

Senator TROOD (Queensland) (3.28 pm)—We all know when a government is in trouble, because it suspends rationality. It suspends trying to make a credible case for its policies. It suspends the capacity to make an argument. That was on display during question time this very day, as it was on display in question time towards the end of last year and earlier this week. From the government during question time, especially
from Senators Conroy and Carr, we had polemic and we had rhetoric. We had a series of charges of a kind which we have heard before.

These charges are not new. They are of things like economic illiteracy and economic vandalism. These kinds of prescriptions, argued and directed at the opposition, have been made consistently over weeks, and certainly during this particular question time. And these are serious charges. Economic vandalism is a serious charge. Economic illiteracy is a serious charge, but we would be delinquent if we allowed them to stick because we are being lectured by a government whose capacity for economic vandalism knows very few bounds considering the time it has been in office.

Consider this. A few months ago the Australian people were being presented with the threat that the economy was under serious danger of increased inflation. The consequence of that was that the government spent hours, days, weeks, months trying to drive the so-called inflation genie back into the bottle. The government virtually intimidated the Reserve Bank into increasing interest rates and, having done so, caused great pain in the Australian economy and to the Australian people.

And then suddenly the government discovered that the threat was not inflation. Suddenly the government discovered that the dangers to the economy were elsewhere. So no longer were we worried about inflation. Increasingly we were unworried about saving or preserving; increasingly we were worried about the jobs which were now under threat from a deteriorating international economy. So what we got was not an injunction to save nor an injunction to increase surpluses but an injunction to spend. So towards the end of last year we had a $10 billion stimulus package, or thereabouts—the results of which were argued to be the delivery of tens of thousands of new jobs to the Australian economy, none of which have been delivered. What in fact has been delivered is a series of deteriorating job numbers. The economy is losing full-time jobs.

So, having failed with that stimulus package, what does the government do? It comes into the parliament early this week and tells us that we need yet another stimulus package. In blind panic—as the economy slows, as jobs disappear from the economy, as equity markets bounce around with no clear bottom, as companies announce decreasing profits—the government decides something has to be done. What do they do in this situation? Lemming-like, they reach for the solution that governments around the world are seeking. They reach for the stimulus package to spend money. They will spend a large amount of money. They will spend as much money as they think the Australian people will stand, in the hope that that will redress the dangers to the global economy.

This is an interesting proposition because it rests on an assumption. It rests on the assumption that stimulus packages actually make a difference. It rests on the assumption that you can spend your way out of problems. It rests on Keynesian economics. In that context I refer the Senate to an article that appeared in the Australian this morning headed ‘New Deal prolonged the Great Depression’ because all of these economic nostrums grow out of the experience of the Depression. That article by two eminent professors tells us that that is not the case. (Time expired)

Question agreed to.

**COMMITTEES**

**Community Affairs Committee**

**Reference**

**Senator PARRY** (Tasmania) (3.34 pm)—by leave—I move:
That—
(a) the provisions of the Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009 relating to the social housing program be referred to the Community Affairs Committee for inquiry and report by 10 February 2009;
(b) the report of the committee on the bill be presented by 12.31 pm on Tuesday, 10 February 2009;
(c) the committee may meet during the sittings of the Senate on Monday, 9 February 2009 to take evidence in relation to the bill, but may not meet to consider the bill at the same time as the Finance and Public Administration Committee is meeting to consider that bill and related bills; and
(d) the reference of the Household Stimulus Package Bill 2009 to the committee be withdrawn.

Question agreed to.

MINISTERIAL STATEMENTS

Sri Lanka

Senator WONG (South Australia—Minister for Climate Change and Water) (3.35 pm)—On behalf of the Minister for Foreign Affairs, Mr Smith, I table a ministerial statement relating to the situation in Sri Lanka.

COMMITTEES

Foreign Affairs, Defence and Trade Committee

Report: Government Response

Senator WONG (South Australia—Minister for Climate Change and Water) (3.35 pm)—I present the government’s response to the report of the Senate Standing Committee on Foreign Affairs, Defence and Trade on its inquiry into Australia’s public diplomacy, and seek leave to have the document incorporated in Hansard.

Leave granted.

The document read as follows—

Australian Government response to the Senate Standing Committee on Foreign Affairs, Defence and Trade Report:

Australia’s Public Diplomacy: Building our Image

This is the Australian Government’s response to the report of the Senate Standing Committee on Foreign Affairs, Defence and Trade Inquiry into Australia’s public diplomacy, Australia’s Public Diplomacy: Building our Image, as tabled on 16 August 2007.

The government welcomes the committee’s commendation of the work of Australian government departments and agencies, cultural and educational institutions and private organisations actively engaged in promoting Australia’s reputation overseas. The committee’s report highlighted the intense competition that Australia faces from other countries also seeking to be heard on matters of importance to them.

The attached response to the committee’s recommendations reflects the government’s commitment to continue to pursue Australia’s public diplomacy programs designed to positively influence the perceptions, opinions and attitudes of people overseas on Australia’s identity, values and ideas in a way that directly serves the advancement of Australia’s foreign and trade policy interests.
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<td>Recommendation 1</td>
<td>Noted.</td>
<td>DFAT will continue to closely track overseas opinions of Australia to inform the development and implementation of public diplomacy strategies and activities. DFAT posts report any significant media coverage of contentious or breaking issues, particularly those that may require a media response strategy. The government acknowledges the role of opinion surveys in helping to shape public diplomacy strategies. DFAT commissions targeted research and opinion surveys in key countries and regions on a case-by-case basis, as appropriate and as resources allow. DFAT will continue to commission opinion surveys, as necessary and often with other agencies, to evaluate overseas attitudes to Australia. DFAT and other agencies subscribe jointly to the Anholt-GfK Roper Nation Brands Index, a unique survey assessing attitudes in 20 countries towards 50 countries, including Australia, on a wide range of issues from exports, investment, education and science to immigration, governance and culture. Members of the Interdepartmental Committee on Public Diplomacy share the results of relevant opinion surveys on attitudes towards Australia in priority countries. It is widely recognised that national reputations must be earned; they cannot simply be constructed. Image change is an incremental process that usually occurs, not in months or years, but over decades.</td>
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<td>Recommendation 2</td>
<td>Noted.</td>
<td>Issues-based public advocacy, including on trade, counter-terrorism, arms control, the environment, migration, international development, agriculture and human rights, is vigorously pursued domestically and internationally. Government departments’ communications units proactively explain foreign and trade policy objectives to domestic audiences as well as promoting informed and positive international media coverage and countering inaccurate information. Public diplomacy products are used to reach out to domestic as well as international audi-</td>
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role in actively supporting Australia’s public diplomacy objectives.

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<td>Recommendation 3</td>
<td>Noted.</td>
<td>The Endeavour Awards program offers educational, research and professional development Awards to citizens of the Asia-Pacific, Middle East, Europe and the Americas. The Awards aim to build enduring links at the individual, organisational and country levels. The establishment of the Endeavour Awards Alumni Network is an important component of the Endeavour Awards program. The Endeavour Awards Alumni Network will promote bilateral and multilateral engagement between Australia and participating countries through the ongoing interaction of Endeavour Alumni, their host organisations in Australia and the government. The Network will also be a valuable tool in measuring the long-term impact and success of the Endeavour Awards. Australian diplomatic missions abroad recognise the contribution that alumni can make to our public diplomacy efforts and are working with them to project a positive image of Australia. Similarly, missions draw upon the network of Australian studies programs in their countries of accreditation and look to those involved in these programs for support with the mission’s public diplomacy events and activities.</td>
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Officials regularly participate in domestic conferences, seminars and consultations to advocate Australia’s strategies and policies on a range of foreign and trade policy issues with academics, NGOs, media and business.

The government supports a range of domestic organisations involved in creating awareness of Australia’s international activities, including through DFAT’s financial support to the Australia Institute of International Affairs which aims to raise the level of understanding of the role of foreign and trade policy in Australia and to provide a forum for debate on Australia’s place in the world.
Recommendation 4
The committee recommends that:

- all visitors’ or training programs sponsored or funded by the government have clearly identified public diplomacy objectives;
- DFAT ensure that all government sponsored or funded visitors’ or training programs adopt a longer-term perspective and include measures or plans that are intended to consolidate and build on the immediate public diplomacy benefits that accrue from such activities; and
- as an accountability measure, the organisers or sponsors of a visitors’ or training program report on how the program has contributed to Australia’s public diplomacy.

Noted. All DFAT-funded visits programs have clearly identified public diplomacy objectives, consistent with the government’s trade and foreign policy priorities. They also require the results of the visit to be reported on against these objectives, outlining outcomes. Performance indicators include:

- the specific messages that the event conveyed;
- how the event was used as a platform to promote broader aspects of contemporary Australia or Australian policies;
- the number, level and influence of special guests attending;
- the extent of the media coverage generated;
- positive feedback from audiences/stakeholders;
- levels of awareness achieved for the image being promoted;
- feedback from touring groups on the level of support provided;
- analysis of media coverage generated and the extent to which it reflects DFAT’s messages;
- the extent to which perceptions have been changed or moderated in Australia’s favour; and
- feedback from the target audience on the success of the advocacy efforts.

The Interdepartmental Committee on Public Diplomacy will continue to underline to all government departments and agencies the importance of incorporating public diplomacy objectives, consistent with the government’s medium to long-term international priorities, into their visitors’ and/or training programs.

Recommendation 5
Consistent with the findings of previous parliamentary reports, the committee recommends that the government consider introducing additional incentives for Australian students not only to study an Asian language but to combine their studies with cultural studies.

Noted. The Australian Government places great value on Australia’s relationships with its Asian neighbours and recognises that one of the most important ways to strengthen these relationships is to provide the best opportunities for young Australians to become familiar with the languages and cultures of these neighbours, including China, Japan, Korea and Indonesia.
Three of the top six languages studied at Year 12 level are now Asian languages, with Japanese and Chinese the most studied languages.

The government is implementing the National Asian Languages and Studies in Schools Program (NALSSP), which will commence in January 2009. Program funding of $62.4 million over 2008-09 to 2010-11 will provide additional Asian language classes in high schools; teacher training and support; and the development of specialist curriculum for students who display advanced abilities in Asian languages and studies programs.

In addition to NALSSP, the government is providing $112 million funding through the School Languages Program (2005-2008) to support languages education generally, including Asian languages. The government also provides funding support to the Asian Education Foundation ($6.279 million from 2008-09 to 2011-12) to promote and support the embedding of the studies of Asia in the curriculum.

The Australian Government provides $2 million per annum for the Endeavour Language Teacher Fellowships Programme, which provides opportunities for intensive language and cultural study for practising teachers and trainee teachers, including teachers of Chinese, Japanese and Indonesian.

At the post-secondary level, the Australian Government is providing $789,000 to the Australian Council of the Deans of Arts, Social Sciences and Humanities to undertake a study of innovative approaches to the provision of languages other than English through trialling selected collaborative models over 2006-2008.

Funding of $369,006 is also being provided to enable a consortium of four universities (the University of New England, the University of the Sunshine Coast, the University of Tasmania and Charles Darwin University) to pool Indonesian teaching and curriculum...
development resources; to undertake collaborative provision of Indonesian at the four core institutions; to offer “blended model” delivery at other regional universities; and to run a short in-country program at Universitas Mataram, Nusa Tenggara Barat.

Many of the bilateral foundations, councils and institutes offer a range of programs and support to encourage Australians to improve their foreign language skills and their awareness of other cultures. For example, the Australia-China Council (ACC) is a sponsor of the National Chinese Speech (Hanyuqiao) Competition for Years 10 and 11 Chinese language students. The ACC is also funding a national forum on Chinese language pedagogy in Australian schools in late October 2008 and part-funding a Chinese language curriculum project with the Australian National University’s China Institute. The Australia-Indonesia Institute funds an Australia-Indonesia Youth Exchange Program; partnered with the Myer Foundation and AusAID to fund a major program of school e-twinning and teacher training (2008-11); and funds a Schools Exchange Small Grants Program which enables Australian schools to arrange a placement for an Indonesian teacher.

Recommendation 6

The committee recommends that the government restructure the interdepartmental committee on public diplomacy (IDC) so that its functions extend beyond sharing information between departments and agencies to include coordinating and monitoring Australia’s public diplomacy activities. It recommends:

(a) more senior representation on the IDC than is currently the case - Departments should be represented at the Deputy Secretary level;

(b) expanding the functions of the IDC to ensure that it has a central role in planning and overseeing a whole-of-government long-term strategic plan for Australia’s public diplomacy;

The government will continue to ensure the appropriate level of involvement required for the effectiveness of the Interdepartmental Committee on Public Diplomacy (IDC on PD), noting that the appropriate level of involvement will depend on the issues to be discussed and the decisions to be taken.

The IDC will continue to take a strategic, coherent approach and will look at engaging other non-government entities and other levels of government. As the global environment changes and Australia’s public diplomacy objectives shift in response, we expect that the composition and role of the IDC will similarly evolve. DFAT, the Department of the Environment, Water, Heritage and the Arts and Austrade are already members of both the IDC on PD and the Australia Inter-
Recommendation 7

The committee recommends that if, after considering the above recommendation, the government is of the view that the IDC cannot or should not be the body to take on this leadership and whole-of-government coordinating and advisory function, the government establish an appropriate separate and permanent body that would do so.

Noted. The government will continue to review closely the role and effectiveness of the IDC.
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<td>Recommendation 8</td>
<td>Accepted.</td>
<td>DFAT has written to capital city councils to draw their attention to the Committee’s report; to identify the Images of Australia Branch as a point of contact for overseas public diplomacy initiatives; and to invite them to explore opportunities for further collaboration. The government currently collaborates with capital city councils in promoting Australia overseas on a case-by-case basis. By working together, we are able to ensure that Australia delivers consistent and well conceived messages to achieve mutually beneficial results overseas. For example, the Australian Embassy in Rome supported the City of Melbourne’s Melbourne in Milan Week in 2007. DFAT supported the visit to Melbourne by three Milan journalists to help publicise the event and supported the European tour of the Melbourne Symphony Orchestra, which included a performance as part of Melbourne in Milan Week.</td>
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<td>Recommendation 9</td>
<td>Noted.</td>
<td>DFAT, the Department of the Environment, Water, Heritage and the Arts (DEWHA) and their portfolio organisations, work closely with Australian cultural institutions through the AICC and will continue to do so. DFAT, DEWHA, the Australia Council and a representative of a major cultural institution serve on the committee which assesses AICC grant applications. DFAT has established a distinct website for the AICC where information concerning the Council and its decisions will be published.</td>
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<td>Recommendation 10</td>
<td>Accepted.</td>
<td>The Minister for Foreign Affairs and the Minister for Environment, Heritage and the Arts will co-chair the AICC.</td>
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<td>Recommendation 11</td>
<td>Not supported.</td>
<td>The government does not consider it necessary at this stage for the Department of the Environment, Water, Heritage and the Arts (DEWHA) to establish a separate cultural and public diplomacy unit because of the potential for duplication of role and function with existing Australia International Cultural Council support structures within DFAT. DEWHA will continue to maintain its current good working relationships with DFAT, the cultural sector and arts portfolio agencies in relation to cultural diplomacy activities.</td>
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<td>Recommendation 12</td>
<td>Noted.</td>
<td>The government notes the role played by educational institutions in promoting Australia abroad. DFAT is exploring possible strategies with the Department of Education, Employment and Workplace Relations (DEEWR) and Universities Australia (formerly the Australian Vice-Chancellors Committee) to further engage these institutions. DEEWR will continue to work with the Business, Industry, and Higher Education Collaboration Council (BIHECC) to increase collaboration between the higher education sector and other public and private business, industry, community and educational organisations.</td>
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<td>Recommendation 13</td>
<td>Noted.</td>
<td>The government notes DEEWR’s Australian Education International (AEI) currently liaises with all sectors of the education and training industry and all levels of government to develop and implement targeted promotional and communication strategies to profile Australian education, science and training internationally. As well, AEI works with Australian and locally-engaged staff around the world to increase their understanding of the role of education and to build collaboration between agencies on public diplomacy matters.</td>
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<td>Recommendation 14</td>
<td>Noted.</td>
<td>DFAT acknowledges the significant contribution of expatriates in promoting Australian economic, social and cultural interests abroad. Australian missions are active in Australian expatriate communities and or-</td>
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Recommendation Position Comment

gal and Constitutional References Committee on Australian Expatriates and consider the evidence set out in this report with regard to Australian expatriates and Australia’s public diplomacy. The committee urges DFAT to formulate and implement strategies that would enable DFAT to take advantage of the significant resource of the diaspora and encourage Australian expatriates to engage more constructively in Australia’s public diplomacy.

Recommendation 15 Noted. DFAT has in place a rigorous process for evaluating its public diplomacy programs to assess the implementation of activities and events and their impact. (See also performance indicators outlined in comments on Recommendation 4). DFAT’s public diplomacy programs are also reviewed annually as part of the departmental planning and review process to ensure they are: closely aligned with current national interest priorities; are appropriately funded; take advantage of developments in technology; and are well coordinated across target countries. These evaluations incorporate the views of other departments and agencies on posts’ performance.

The committee recommends that DFAT conduct an independent survey of its overseas posts to assess their capacity to conduct effective public diplomacy programs. The survey would seek views on the effectiveness of the post’s efforts in promoting Australia’s interests, and how they could be improved, the adequacy of resources available to conduct public diplomacy activities, the training and skills of staff with public diplomacy responsibilities, the coordination between agencies in public diplomacy activities; and the level of support provided by the Images of Australia Branch (IAB) and how it could be improved.

The survey would also seek a response from the overseas posts on observations made by the educational and cultural organisations, noted by the committee in this report, levelled at the delivery of Australia’s public diplomacy programs. Such matters would include suggestions made to the committee that public diplomacy opportunities are being lost in the absence of an effective mechanism for the coordination of activities. See paragraphs 7.24–7.34 (alumni associations); 9.22–9.30 (cultural organisations); 9.41–9.44 (educational institutions); 10.23–10.39 (Australia’s diaspora).
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<th>Recommendation</th>
<th>Position</th>
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<td>Recommendation 16</td>
<td>Accepted.</td>
<td>DFAT will continue to explore the application of innovative technologies to enhance the delivery of its public diplomacy programs. DFAT has undertaken a comprehensive review of its website and is making improvements to ensure it is a more focused and effective tool for public diplomacy both in terms of design and the timeliness and relevance of content. The website was used very effectively to communicate the National Apology to the Stolen Generations which attracted significant international attention. Media releases, speeches, background documents and video are placed on the site and used by our posts in their own public diplomacy programs as well as by visitors to the DFAT website more broadly.</td>
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<td>Recommendation 17</td>
<td>Noted.</td>
<td>DFAT attaches high importance to evaluating and monitoring its public diplomacy programs and has in place rigorous mechanisms to evaluate performance, including a broad range of performance indicators (outlined in comment on Recommendation 4).</td>
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<td>Recommendation 18</td>
<td>Accepted.</td>
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<td>Recommendation 19</td>
<td>Noted.</td>
<td>Over the past three years, DFAT has conducted a series of specific reviews of its Foundations, Councils and Institutes (FCIs), both administered and departmental, to establish their effectiveness, appropriateness and efficiency in achieving the government’s foreign and trade policy objectives and to determine their ongoing viability. Until 2006, funding for the International Relations Grant Programme (IRGP), which provides funding to the administered FCIs, was allocated as a four-year lapsing measure. In October 2006, at the conclusion of that</td>
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four-year period, DFAT conducted, in consultation with the Department of Finance, an extensive review of the IRGP covering the period 2002-06.

This review, which was required to determine future funding for the IRGP, critically assessed each grant recipient against performance indicators measuring effectiveness, appropriateness and efficiency. The review concluded that “the IRGP supports Australia’s objectives in international security, trade and economic performance, global cooperation and public diplomacy” and that the “IRGP is an effective and efficient mechanism for using resources and it is recommended that it be extended as an ongoing measure at its current level to achieve the Government’s foreign and trade policy”.

This recommendation was accepted and it was agreed that the IRGP funding be adjusted to be a program funded on an ongoing basis.

The following FCIs were included in the review:
the Australia-Korea Foundation (AKF);
the Australia-Indonesia Institute (AII);
the Australia-China Council (ACC); and
the Australia-India Council (AIC).

The following DFAT-funded Councils were established permanently following DFAT reviews of their effectiveness: Council for Australian-Arab Relations (2006); Council on Australia Latin America Relations (2007); Australia Thailand Institute (2008); and Australia Malaysia Institute (2008).

Further, following review, the statutory Australia-Japan Foundation (AJF) was constituted on 1 December 2006 by Executive Council Orders as a bilateral body within DFAT on the same footing as other FCIs. The new arrangements have ensured a more appropriate governance structure for the Foundation and significantly improved its administrative efficiency and program delivery. With the repeal of the AJF’s enabling legislation, the Foundation’s program funding was
Recommendation 20
The committee recommends that each FCI produce an annual report to be tabled in Parliament.

Noted.
Eight of the nine FCIs currently produce annual reports, which are available on the DFAT website:
- Australia-China Council
- Australia-Indonesia Institute
- Australia-Japan Foundation
- Australia-Korea Foundation
- Australia-Malaysia Institute
- Australia-Thailand Institute
- Council on Australia Latin America Relations
- Council for Australian-Arab Relations

From 1 July 2008, all FCIs are required to produce an annual report for publication on the DFAT website. FCI financial statements and performance summaries are also included in DFAT’s Annual Report.

Senator TROOD (Queensland) (3.36 pm)—by leave—I move:
That the Senate take note of the document.

Senator TROOD—I seek leave to continue my remarks later.
Leave granted; debate adjourned.

DOCUMENTS
Work of Committees

The DEPUTY PRESIDENT—On behalf of the President I present Work of Committee reports for the period 1 July to 31 December 2008.

Ordered that the document be printed.

AUDITOR-GENERAL’S REPORTS
Report No. 20 of 2008-09

The DEPUTY PRESIDENT—in accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Audit report...
BUDGET
Consideration by Estimates Committee

Additional Information

Senator WONG (South Australia—Minister for Climate Change and Water) (3.37 pm)—I present estimates of proposed supplementary additional expenditure for 2008-09 as follows:

Portfolio supplementary additional estimates statements—Portfolios and executive departments—
- Environment, Water, Heritage and the Arts
- Families, Housing, Community Services and Indigenous Affairs
- Infrastructure, Transport, Regional Development and Local Government
- Treasury

COMMITTEES
Membership

The DEPUTY PRESIDENT—The President has received letters from party leaders requesting changes in the membership of committees.

Senator WONG (South Australia—Minister for Climate Change and Water) (3.38 pm)—by leave—I move:

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

Finance and Public Administration—Standing Committee—
Appointed—
Substitute members:

Senator Bob Brown to replace Senator Hanson-Young for the committee’s inquiry into the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009, the Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009, the Commonwealth Inscribed Stock Amendment Bill 2009, the Household Stimulus Package Bill 2009, the Tax Bonus for Working Australians Bill 2009, and the Tax Bonus for Working Australians (Consequential Amendments) Bill 2009

Senator Joyce to replace Senator Parry from 5 February to 10 February 2009

Participating members: Senators Parry and Hanson-Young

Rural and Regional Affairs and Transport—Standing Committee—
Discharged—Senator Hurley
Appointed—
Senator Farrell
Participating member: Senator Hurley.

Question agreed to.

FEDERAL JUSTICE SYSTEM AMENDMENT (EFFICIENCY MEASURES) BILL (No. 1) 2008
FOREIGN EVIDENCE AMENDMENT BILL 2008
TELECOMMUNICATIONS INTERCEPTION LEGISLATION AMENDMENT BILL (No. 2) 2008

First Reading

Bills received from the House of Representatives.

Senator WONG (South Australia—Minister for Climate Change and Water) (3.38 pm)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.
Second Reading

Senator WONG (South Australia—Minister for Climate Change and Water) (3.38 pm)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

FEDERAL JUSTICE SYSTEM AMENDMENT (EFFICIENCY MEASURES) BILL (No. 1) 2008

This bill contains a range of measures to improve the efficient operation of the federal courts.

Court efficiency is important if we are to ensure that the cost of justice remains proportionate to relief being sought. In troubled economic times, it is also important that commercial disputes be resolved as expeditiously and economically as possible.

An important measure introduced by this bill is a power to refer all or part of a proceeding in the Federal Court to a referee for report. Such a power is regularly used by courts in other jurisdictions to assist them determine issues before them. It will allow the Federal Court to appoint an appropriately qualified person to inquire into any aspect of a proceeding and provide a report to the court.

This is an important reform and will enable the Court to more effectively and efficiently manage large litigation.

It will be useful in many cases, particularly those that involve complex technical issues or where detailed examination of financial records is necessary to assess damages. It will also be of assistance in native title matters where a judge would be assisted by an inquiry into a particular aspect of a claim.

The procedural flexibility with which a referee can deal with a question — along with their technical expertise — will allow a referee to quickly get to the core of technical issues and reduce the cost and length of trials for litigants.

The bill also amends the Federal Court Act to allow a single judge of the Court to make interlocutory orders in proceedings that would otherwise be required to be heard by the Full Court. This will allow the Court to more efficiently manage cases and avoid unnecessary delay for litigants.

In addition, the bill amends the International Arbitration Act 1974 to give the Federal Court concurrent jurisdiction with State and Territory Supreme Courts for matters arising under Parts III and IV of the Act. These Parts adopt the UNCITRAL Model Law on International Commercial Arbitration 1985 and implement the Convention on the Settlement of Investment Disputes Between States and Nationals of other States 1965.

The amendments also clarify the Federal Court’s existing jurisdiction for matters arising under Part II of the Act which gives effect to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958.

These amendments will assist in ensuring that the Federal Court is well equipped to operate as a regional hub for commercial litigation.

The bill promotes the efficient administration and management of federal courts and tribunals by repealing existing legislative provisions that restrict the heads of the Federal Court, Family Court, Administrative Appeals Tribunal and Native Title Tribunal from acquiring interests in land for the purposes of the Lands Acquisition Act 1989.

These restrictions have impeded the efficient administration of these bodies by preventing them from negotiating and executing leases on their own behalf.

The existing restrictions were introduced in 1989 at a time when purchasing and building arrangements for federal courts and tribunals were the responsibility of the then Department of the Arts and Administrative Services. That Department no longer exists. The courts are now self-administering, and it is consistent with this status that they be able to negotiate and execute their own leases. My approval is required for major purchases over $1 million.

The bill also amends Part IIA of the Public Order (Protection of Persons and Property) Act 1971 which empowers authorised officers to exercise
certain powers in relation to court premises if they believe this is necessary in the interests of court security.

These powers include the power to remove a person from court premises or to require information from or to search a person.

These amendments make it clear that authorised officers have these same powers where the Federal Court is sitting on open land, as occurs in some native title cases, or in a building other than its usual premises.

The amendment gives court officers the power to make an order designating a particular area as ‘court premises’. The bill ensures that appropriate notification is given to the public when such an order is made. These amendments will ensure it is clear to both court officers and the public the areas in which officers can exercise powers in the interests of court security.

Importantly, the bill responds to the decision of the Full Court of the Family Court of Australia in Black v Black.

In that case, the Court found that a binding financial agreement (commonly known as a pre-nuptial agreement) made under the Family Law Act 1975 was invalid because it did not strictly comply with certain technical requirements in the Family Law Act.

The amendments are being made because the Government is concerned about the possible consequences of the decision on the validity of existing binding financial agreements which contain technical errors.

The bill amends the Family Law Act to ensure that people who have made an informed decision to enter into one of these agreements cannot later get out of it on a technicality, resulting in court battles that the agreement was designed to prevent. These amendments will restore confidence and certainty in the binding nature and enforceability of financial and termination agreements under the Family Law Act.

I commend this bill.

FOREIGN EVIDENCE AMENDMENT BILL 2008

The main purpose of the Foreign Evidence Amendment Bill is to streamline the process for adducing business records obtained from a foreign country as evidence in Australian court proceedings.

Part 3 of the Foreign Evidence Act 1994 provides a means of adducing foreign material, obtained in response to a mutual assistance request to a foreign country, as evidence in Australian criminal and related civil proceedings. The provisions are designed to facilitate the use of evidence obtained from foreign countries. However, the current provisions are not always adequate to meet the special evidentiary problems associated with obtaining and using evidence from foreign countries with differing systems of criminal investigation and procedural law.

Mutual assistance requests seeking business records from a foreign country are increasingly becoming one of the most common types of requests made by Australia. Globalisation and advances in information technology means that this form of evidence is particularly important to Australia’s efforts to fight white collar crimes such as fraud and money laundering.

Currently, the Foreign Evidence Act requires that business records must comply with the rules of evidence that apply in the jurisdiction in which the proceedings are being heard. However, the admissibility of business records is governed in Australia by technical evidentiary rules which vary between States and Territories. Australian authorities have indicated they experience considerable difficulties in obtaining business records from foreign countries in a form that complies with these admissibility requirements. As a result, reliable evidence obtained through mutual assistance may not be able to be admitted into evidence in court in Australia.

The bill would amend the Foreign Evidence Act to provide that business records obtained through mutual assistance will be presumed to be admissible unless the court is satisfied the records are not reliable and probative, or are privileged. It is appropriate that the process for adducing business records be streamlined as this type of evidence is generally considered accurate and reliable. The
court would retain a broad discretion to prevent foreign material being adduced if it is in the interests of justice to do so.

The bill would also provide greater flexibility to the requirements for the form of testimony obtained from foreign countries. Currently, testimony must be taken on oath or affirmation or under caution or admonition. Not all foreign countries, particularly those with a civil law system, provide for the taking of evidence on oath or affirmation, or under caution or admonition. The bill would extend the testimony provisions to provide for evidence to be taken in circumstances where the person is under a legal obligation to tell the truth.

Other amendments would update and improve the operation of the Foreign Evidence Act. For example, the bill would provide the Court with an additional discretion to limit the use to be made of foreign material, where there is a danger that it could be unfairly prejudicial to a party to the proceedings. The bill would also clarify the application of Part 3 of the Act to non-conviction based proceeds of crime proceedings.

Part 3 of the Foreign Evidence Act currently applies to criminal and related civil proceedings in States and Territories, as well as Commonwealth proceedings. This bill will initially apply to Commonwealth proceedings, with provision to apply the amendments to States and Territories through regulations. I will be liaising with the States and Territories to determine if and when such regulations should be made.

It is necessary that amendments to facilitate the admission of business records be progressed promptly. However, I also recognise that the Foreign Evidence Act may need to be amended to ensure processes for adducing other types of foreign material are also appropriate. Further proposals for amending the Foreign Evidence Act are under consideration in the context of a review of extradition and mutual assistance laws being conducted by my Department.

The Foreign Evidence Amendment Bill will ensure that reliable foreign evidence obtained through formal Government to Government processes is able to be used in Australian criminal and related civil proceedings, while retaining appropriate safeguards.

I commend the bill.

———

TELECOMMUNICATIONS INTERCEPTION LEGISLATION AMENDMENT BILL (No. 2) 2008

The main purpose of this bill is to amend the Telecommunications (Interception and Access) Act 1979 (the TIA Act) to facilitate the introduction of Queensland law enforcement agencies into the telecommunications interception regime.

The inclusion of Queensland agencies will mean that the interception regime established by the TIA Act will become truly national. Queensland is currently the only jurisdiction whose law enforcement agencies do not have interception powers.

The bill also implements several minor technical amendments.

[Interception Powers for Queensland]

Currently Queensland law enforcement agencies cannot seek or execute an interception warrant. This is because Queensland has not, to date, enacted legislation that satisfies the TIA Act’s recordkeeping, reporting and inspection obligations. These obligations are a key component of the interception regime as they establish the minimum standards interception agencies must comply with to ensure accountability under the TIA Act.

Without such provisions there is limited recourse to check whether an agency is meeting its accountability obligations under the TIA Act; an unacceptable outcome given the invasive nature of telecommunications interception.

The importance of these requirements is reflected in section 35 of the TIA Act. This provides that a State law enforcement agency cannot be declared by the Commonwealth Minister to be an interception agency where State law does not reflect the accountability framework established in the TIA Act.

The Queensland Government has announced its intention to introduce legislation that will comply with this requirement.

That State legislation will also include an oversight role for the Queensland Public Interest Monitor (the PIM) in the pre-application and app-
Application processes for an interception warrant sought by a Queensland agency.

Amendments are included in this bill which recognise the request by the Queensland Government for the inclusion of the PIM’s role.

Without specific reference to the PIM in the TIA Act, there would be a real risk that the Queensland legislation would be inoperative under section 109 of the Constitution on the basis of inconsistency with the TIA Act.

While the TIA Act establishes a national regime, a role for the PIM can be accommodated within the TIA Act that recognises the important place the PIM has in law enforcement matters in Queensland.

The PIM is unique to Queensland and was introduced in 1997 as part of a package of measures aimed at reforming police powers and creating relevant safeguards following the State’s long history, starting with the Fitzgerald Report in the 1980s, of review into police activities.

This is not the first time the Commonwealth Government has recognised the role of PIM: the PIM has an oversight role in relation to applications for control orders under the Criminal Code, and for applications for surveillance device warrants.

This bill will amend the TIA Act to allow the PIM to make submissions to the eligible Judge or AAT member considering an application by a Queensland agency for an interception warrant and to question the agency applying for the warrant.

The PIM will also be able to question any third party called on by the decision maker to provide additional information about the application.

The proposed role for the PIM in the interception regime only applies to interception applications made by Queensland State interception agencies. The PIM will not have a role in relation to applications made by other interception agencies.

The TIA Act will also be amended to require a decision maker to consider any view put forward by the PIM in deciding whether or not to issue an interception warrant. The PIM will not be compelled to make a submission on an application nor will the PIM’s view determine the outcome.

The TIA Act already requires decision makers to consider a number of matters before issuing an interception warrant, including the public interest in protecting people’s privacy from excessive or unnecessary intrusion.

A submission by the PIM will be an additional consideration a decision maker must take into account in forming their view and can be outweighed by the decision maker’s consideration of the factors currently listed under the TIA Act.

Finally, it is important to note that this bill does not of itself give Queensland law enforcement agencies access to interception powers.

In addition to enacting accountability provisions, the requesting State must enter into an agreement to pay all expenses connected with the issue of a warrant before I can declare, under section 34 of the TIA Act, a State agency to be an interception agency for the purposes of the TIA Act.

However, given the section 109 issue in relation to the PIM, Queensland cannot enact legislation implementing comparable accountability requirements until the TIA Act is amended to recognise a role for the PIM.

[Other Amendments]

The bill will make other minor and technical amendments that will ensure the ongoing relevance and effectiveness of the telecommunications and surveillance regimes.

The bill will amend the TIA Act to correct an error introduced by the Telecommunications Interception Legislation Amendment Act 2008 (the Amendment Act).

The effect of subsection 5AC(4) of the TIA Act, as inserted by the Amendment Act, is that the Commissioner of a State police force can only authorise a senior executive Australian Federal Police employee who is a member of the AFP to be a ‘certifying officer’.

This bill clarifies that the intention of the provision is that a Commissioner can delegate the power to act as a ‘certifying officer’ to a State police force officer whose rank is equivalent to that of a senior executive AFP employee who is a member of the AFP.

This amendment will remove any doubt about the validity of actions taken by persons purportedly authorised to act under the current provision.
The bill also amends the definition of ‘certifying officer’ in the TIA Act and the definition of ‘appropriate authorising officer’ in the Surveillance Devices Act to reflect recent changes to the structure of the Queensland Crime and Misconduct Commission.

This bill is an important milestone in the history of telecommunications interception in this country. By laying the foundation for Queensland’s entry into the interception regime established by the TIA Act, this bill marks a significant step forward in the creation of a national approach that extends beyond State boundaries to equip all law enforcement agencies with the appropriate tools necessary to protect the safety and security of all Australians.

I commend the bill.

Debate (on motion by Senator Wong) adjourned.

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

SOCIAL SECURITY LEGISLATION AMENDMENT (EMPLOYMENT SERVICES REFORM) BILL 2008

Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bill.

COMMITTEES

Treaties Committee

Membership

Message received from the House of Representatives notifying the Senate of the appointment of Mrs Irwin to the Joint Standing Committee on Treaties in place of Mr Trevor.

APPROPRIATION (NATION BUILDING AND JOBS) BILL (No. 1) 2008-2009

APPROPRIATION (NATION BUILDING AND JOBS) BILL (No. 2) 2008-2009

HOUSEHOLD STIMULUS PACKAGE BILL 2009

TAX BONUS FOR WORKING AUSTRALIANS BILL 2009

TAX BONUS FOR WORKING AUSTRALIANS (CONSEQUENTIAL AMENDMENTS) BILL 2009

COMMONWEALTH INSCRIBED STOCK AMENDMENT BILL 2009

Second Reading

Debate resumed.

Senator RONALDSON (Victoria) (3.40 pm)—Prior to question time, I was talking about the large amount of money that appeared to have flowed into poker machine venues and into alcohol as a result of that last so-called stimulus package. The Geelong Independent of Friday 19 September reported that pokies venue operators also reported an increase in business since the government bonuses began arriving. I was talking about the cash splash before also. The retail figures from December show that sales were only 1.24 per cent higher than expected. To put that in dollar figures, in spite of blowing $10.4 billion, retail sales were only about $325 million higher than they would have been without the package. So $10.4 billion was spent to get $300 million worth of effect, which is completely and utterly farcical.

The effectiveness of that $10.4 billion stimulus package is very much in question and the government are asking the Australian people to take them on trust in relation to $42 billion. We think that that is outrageous. There is nothing to substantiate the positive outcome of the $10.4 billion and $42 billion is obviously going to make that matter far
worse. It is for that reason that we cannot in
good conscience support a further round of
cash handouts. While that might be unpopu-
lar in some quarters and it might be unpopu-
lar with some Australians, I think that most
Australians know that it is the right thing to
do.

I noticed with interest that Senator Con-
roy’s justification during question time for
the $42 billion was that it would support
90,000 jobs. That is $466,000 per job. There
might be some who are prepared to say that
that is a penalty that we should be paying or
that it is right for us to pay that amount. But
the trouble is that we have had no evidence
at all from the government that the so-called
75,000 jobs that were meant to be created by
the last package—’created’; the language has
changed; it was ‘created’ and it is now ‘sup-
porting’—were ever created. We have in-
sisted, demanded and requested that they
provide that information, but that has not
been done.

For every billion dollars that we spend,
every dollar of debt that we incur will have
to be repaid by someone. It will be repaid by
our children. In four years, net debt will be
$70 billion, which is around $3,300 for every
man, woman and child. The government
wants to borrow up to $200 billion—
something unprecedented in this country’s
history. That is approximately $9,500 for
every man, woman and child in Australia.
We will vote against the package because we
are not prepared to leave our kids with a
massive debt legacy such as that.

Someone has got to stand up for the tax-
payers of Australia to ensure that we are not
imposing staggering levels of debt on future
generations. It is incumbent upon us to make
sure that we do not leave such a legacy when
we have not been provided with any evi-
dence at all that there was any outcome from
the $10.4 billion stimulus with the way that
the government spent it. There is no evidence
at all that this provided a stimulus to the
economy, but we have been asked to take on
trust $42 billion. We are, quite frankly, not
prepared to let the Australian people be saddled
with that sort of debt without any evi-
dence whatsoever that there will be a posi-
tive outcome. If you cannot substantiate
75,000 jobs for $10.4 billion, why should
you be taken on trust in relation to $42 bil-
lion?

The coalition are unapologetic about the
way we reduced debt during our last period
in government. We did that through proper
economic management. It was not achieved
overnight, but we put in place a number of
policies which eventually reduced the Labor
Party’s $96 billion debt, left to us in 1996.
We were paying approximately $8 billion a
year servicing that debt, and that was just in
interest payments. That was not repaying any
capital. That was about $800 per Australian
adult each and every year. When you com-
pare that with the one-off payment of $950
being offered by Labor today, the compari-
sion is clearly obvious. For a very short-term
gain we are going to saddle our kids with a
massive debt legacy.

The Labor Party have said that when the
economy improves this debt will be paid off.
Well, there was absolutely no evidence at all
after the economy improved in 1991-92 that
debt was reduced. In fact, my understanding
is that, when the Labor Party were last in
government, debt increased during a period
of economic upturn. So why would we be-
lieve that this debt will be miraculously paid
off when we come out of recession?

Look at how we survived the Asian finan-
cial meltdown in the 1990s and survived the
tech wreck—it was because we had policies
that strengthened the Australian economy
and provided a buffer from the effects of
those world crises. We lowered taxes and ran
consistent budget surpluses. We reformed the waterfront and promoted direct negotiations between employers and employees. We put in the hard yards and the policy development that made the Australian economy the envy of the Western world.

In our view, Mr Rudd, the Prime Minister, is not proposing a package that will deliver a stimulus to this economy. We do not believe that Mr Rudd will provide jobs as a result of this stimulus package. The only way this package can be judged is by way of jobs. That is the only reasonable measure with which to judge this package. We are not prepared to sit back and let the Australian Labor Party prevaricate about what happened with the 75,000 jobs for $10.4 billion and take them on trust on the apparent protection of 90,000 jobs. This is bad policy: it is bad for the country, bad for our children and bad for those who are saving. What the Australian Labor Party do not realise is that having this huge national debt will actually put upward pressure on interest rates. Even someone with basic economic knowledge knows that that is going to be the outcome of a massive debt. I plead with the government to withdraw this package and put in place a real stimulus.

Senator EGGLESTON (Western Australia) (3.49 pm)—The world faces an unprecedented economic crisis, perhaps even greater than that of 1929. What began with the sub-prime mortgage scandal has now been internationalised and has undermined the economies of many countries around the world. Over 200 banks have collapsed, including some of the biggest and most prestigious in the world. It had been thought that Australia would be immune to this crisis because of the strength of mineral exports in our economy. However, it now seems now that most of our partner countries who buy our minerals are in recession, including South Korea, Taiwan and Japan, and we now hear that the Chinese economy is slowing.

While the consensus view seems to be that we in Australia will be relatively better off than those in many other parts of the world, Australia is facing growing unemployment as industry slows down, particularly in New South Wales and Victoria. I suppose, to give them their due, the Rudd government have responded to the world economic crisis quickly, but the question is whether their response has been focused or effective. The pre-Christmas package was designed to stimulate retail spending, which it did to some extent. However, much of the money given to individuals has been saved, put back into mortgages, sent overseas to expats who will spend none of it in Australia or, sadly, wasted on alcohol, as we hear has happened in the Kimberley. The Rudd government’s prediction was that the package would create 75,000 jobs, but there is no evidence that any jobs were created, let alone 75,000.

The rationale behind the dramatic $42 billion package we are examining today is not clear. I believe the Rudd government has an obligation to the Australian people and to this parliament to provide details of the Treasury advice which prompted this unprecedented package—unprecedented in size and unprecedented in the urgency with which the government wishes to put it through.

From first principles, one would have thought that the objective of any stimulus package should be to create new jobs, reduce unemployment and ensure that money is spent on projects which will provide lasting benefits and ongoing employment opportunities for the Australian people. The question which has to be asked here today is: does the Rudd government package meet those objectives? Unfortunately, the answer is no, it does not. Of the $42 billion total cost, only $890 million—less than $1 billion—is to be
spent on regional and local government infrastructure. That sum is supposed to cover regional roads and black spots and to install railway boom gates—not exactly a big infrastructure project, even if worthy in itself. There is then a $6.6 billion allocation to increase the stock of public and defence housing by building 20,000 new homes, which will be a great boost to the construction industry and no doubt create some employment, but there are no great projects or proposals for nation building which will create ongoing jobs in the remainder of the package. There are no Snowy Mountains schemes. There is no plan to build a national grid of six-lane highways to connect the capitals of this country. There are no plans to build a high-speed rail network between Canberra, Sydney and Melbourne.

In short, as I said, there are no great and visionary infrastructure projects which would leave a lasting legacy to this nation and create employment. Instead, we are given a $42 billion salad of minor measures. Some of these measures are useful, such as the $3.9 billion to provide free insulation to houses and solar hot water system rebates. But how many ongoing jobs will those particular proposals create? The answer, of course, is very few. After the Great Depression of 1929 and the election of President Roosevelt, the New Deal committed large amounts of funds to infrastructure projects such as the Hoover Dam, which successfully created employment and helped the great United States economy recover. This package does not match that kind of approach in any way.

We are told that the future of the world economy is uncertain. It is anticipated that the unemployment rate in Australia will reach seven per cent in 2009-10 and that Australia’s growth will slow to just one per cent in 2008-09 and reach only 0.75 per cent in 2009-10. In these circumstances, it is correct and proper for the federal government to be introducing an economic stimulus package. However, I repeat: this feeble package put forward by the Rudd government is not going to do much to provide ongoing stimulation to the Australian economy; nor is it going to provide sufficient ongoing jobs for our citizens to ensure that unemployment is kept at low levels. Instead, this package is a jumble of fairly minor and in some cases tokenistic gestures, the lasting legacy of which will be the creation of a huge budget deficit which will be a burden on future generations of Australians. It reeks of a panicked reaction.

Surely the Rudd government could have taken a more considered approach, with a smaller package and a greater focus on the need to provide funding for projects which would create much-needed jobs to head off the projected growth of unemployment to seven per cent. But, sadly, the record of ALP governments in doing that sort of thing is not good. From Whitlam in the 1970s, with the Khemlani affair, to Keating and Hawke in the 1980s and 1990s, who ran up a record $96 billion federal government deficit, Labor governments have not had much of a record in stimulating the economy and creating employment. Why should we have expected the Rudd government to be any different? Of course, they are not.

Let us consider the Rudd government’s record so far. Less than 15 months since their election, the government have taken Australia from having a fiscal position which was the envy of most countries in the world, with a strong surplus on top of money set aside for the future, to being faced with four consecutive budget deficits projected to total almost $120 billion. The Rudd government also put to this parliament only yesterday that it be allowed to take the Australian people $200 billion into deficit. I am sure that while most people would be quite happy to
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receive their $950, many of them would have no idea that the deficit that money has contributed to will leave every single Australian with a debt of $9,500 for a very long time. This debt will be the legacy of the Rudd government to the people of Australia in the future, when it must ultimately be paid back, with interest, through either more government cuts or higher taxes.

Compare that legacy with the legacy of the Howard government. It left Australia with one of the highest standards of living in the world, with a government budget strongly in surplus, with one of the best financial sectors in the world and with a record of growth which was the envy of the world—to the extent that the OECD said that Australia under the Howard government had one of the best managed economies in the world.

My final point on the Rudd government’s record so far is that we are being told that all this new money will create more than 90,000 jobs, yet there is no evidence at all to support this. That is not surprising, considering that we are yet to see any evidence that the last stimulus package created even one of the 75,000 jobs that it was claimed it would create.

In conclusion, all I can say is that this proposal does not address the very real need for the federal government to provide stimulus to the Australian economy, nor does it do anything to protect the jobs that so many Australians trustingly put into the hands of the Rudd government at the last election. This package is a terrible indictment of the incompetence of the Rudd government and their approach to dealing with the real problems that we will face in the future.

Senator CASH (Western Australia) (4.01 pm)—Prior to the November 2007 election, Mr Rudd assured Australians he was an economic conservative and that he had a plan for Australia’s future. He also told the Australian public that being an economic conservative meant a fundamental belief in budget surpluses. It is February 2009, and it is now very clear to the Australian public that there was no plan, certainly not for budget surpluses. There were, however, political slogans and media stunts. It was all spin over substance, which we have become used to from those opposite. What we did not have from Labor was the hard work needed to develop an economic strategy to keep Australia strong, resilient and secure.

Actions speak louder than words. Those opposite have, in just over one year, presided over one of the greatest U-turns in the Australian economy—the strong, resilient, secure Australian economy that they inherited from the previous Liberal government. And all we hear from those opposite is blame shifting. It is always someone else’s fault. It is the fault of the global financial crisis. Never, ever, is it Labor’s fault. Of course there is the global financial crisis, and this has had an impact on the Australian economy. However, it is the gross mismanagement by the Labor government in its policy approach to the global financial crisis that has resulted in the unprecedented downturn in the Australian economy.

In the face of growing concern about the downturn in Australia’s economy—and on that point let us lay the blame squarely where it deserves to be: at the feet of the Rudd Labor government—the government has unveiled its ‘latest’ economic stimulus plan, a $42 billion package. Any rational analysis of the latest economic stimulus plan—and let us remember this is an analysis which Labor did not want us to undertake—will clearly show that it is an economic plan which has been developed out of sheer panic. This so-called economic stimulus plan is more evidence of Labor’s mishandling of the global financial crisis.
The coalition will not support a poorly thought out economic response which has all the hallmarks of a quick-fix solution cobbled together by an inexperienced Labor government. Despite the claims from those opposite, we on this side of the chamber recognise that, given the global financial crisis, there is a need to stimulate the Australian economy and to provide both short- and long-term strategies to help protect Australia’s future. However, the package proposed by the Rudd Labor government will not do this. What is being proposed is not a responsible or sustainable way to manage the Australian economy.

The difference between the approaches from this side of the chamber and from those opposite is that we on this side believe in protecting the long-term interests of the Australian people. We on this side of the chamber are keen to implement economic policies that are in the long-term interests of future generations of Australians. What we as Liberals do not believe in is a short-term gain that will deliver to Australians long-term pain. Political quick fixes and panic responses, which are a hallmark of the package now before the Senate, are not a responsible way to govern Australia. We on this side of the chamber made the very tough decision to oppose this poorly thought out package. Unlike Labor, we know that you do not make decisions because they are easy, you do not make them because they are cheap and you certainly do not make them because they are popular; you make them because they are right, and we made the right decision.

A key difference between the Liberal Party and the Labor Party is that we seek to unburden Australians whilst the Labor Party has no qualms at all with imposing crippling financial burdens on the Australian people. That is not responsible government; that is irresponsible government. With Mr Rudd’s attitude towards the passing of the bills before us, you would think that he was spending $42 billion of his own money, but he is not. This is not your money, Mr Rudd. It is not government money; this money belongs to the Australian taxpayers. It is their money, and if you incur debt with this money then you do not have to pay it back but mums do, dads do, their kids do and the bad news for Australians is their kids’ kids will also be paying back the debt that is going to be incurred.

The measures contained within the government’s proposal are not economically responsible. They are not in the long-term interest of Australians; they are short-term fixes. They are ill-conceived, inconsistent measures which are designed to provide short-term gain but which will end up creating long-term pain. They are not appropriate measures and will not engender confidence in the Australian public. That is why we on this side of the chamber made the very tough decision to oppose this poorly thought out package. Unlike Labor, we know that you do not make decisions because they are easy, you do not make them because they are cheap and you certainly do not make them because they are popular; you make them because they are right, and we made the right decision.

What Australia requires is a stimulus package that will actually stimulate the economy in the most effective way to deliver long-term gains. The objective of any economic package must be to generate confidence across the nation, not only to protect and support jobs, which is the script now coming from the other side, but also to create jobs, to support small business and—my goodness!—to actually strengthen the economy. The package that we have before us will not do this. We on this side of the chamber have stated time and time again that the most important issue facing Australians is jobs, jobs, jobs. When we look at this current package, there is very little evidence that it will generate or create new jobs for Austra-
lians. Let us face it: there is no evidence that the government’s $10.4 billion pre-Christmas spending spree created the 75,000 jobs that were promised by Mr Rudd. In fact, there is so little evidence before us of creating jobs that the script now coming from Labor is that they sustain jobs and protect jobs but no longer create jobs. There is a big difference between creating jobs and sustaining or supporting jobs.

The government’s mantra is spend, spend, spend, and if you do not have the money the government’s mantra is borrow, borrow, borrow and then you, the poor taxpayer or your children or your grandchildren, can always pay it back later. It may be fun for Labor to dramatically increase borrowings in the short term, but the reality is the nation is being saddled with massive future debts. Have we heard anything from the Rudd Labor government about increased long-term debt? Of course not, because they know that, when the Liberals next come to government, we, as we always do, will clean up the mess that they have made of the Australian economy.

The Rudd government is carrying on the proud tradition of successive state and federal Labor governments of plunging us into debt. As has been stated, you are addicted to debt. It is not a good addiction, but we on this side are prepared to help those opposite with their addiction. In fact, the Leader of the Opposition has stated that he is prepared to sit down and discuss with the Prime Minister the appropriate form of responses to the economic situation. The Prime Minister, however, has rejected this offer. One needs to ask oneself: why would the Prime Minister reject such an offer? This is a Prime Minister who earlier this year wanted bipartisan support. Is it because he is panicking and running scared because he does not want his mishandling of the economy exposed? Why would the Prime Minister not sit down and speak with an opposition that, through long experience and a legacy of an outstanding economic record, knows that prudent management of the budget is the key to a strong economy in the long term?

On that point, for the benefit of those on the other side, because I know you all love to hear it, let us once again set down the coalition’s proud record of managing the economy. Labor inherited a world-class regulatory system with a strong banking and financial sector. Labor also inherited a $20 billion budget surplus and almost $70 billion in savings from the coalition. The coalition had paid off the $96 billion debt left by the previous Labor government, unemployment was at its lowest in 30 years, inflation was at historically low levels and Australia’s AAA credit rating was restored after it was lost under the previous Labor government. What have we seen from Rudd Labor since day one? Economic incompetence. What an outstanding piece of economic insight the now astonishingly quiet inflation genie that Treasurer Wayne Swan declared could only be fought by the Reserve Bank raising interest rates turned out to be. Labor’s doomed bank guarantee, which resulted in the freezing of the investment fund savings of a quarter of a million Australians and has caused a massive dislocation in financial markets, continues to cause problems. But it gets better—the $10.4 billion cash splash which the Labor government claimed would create 75,000 jobs. There is no evidence of those jobs; they certainly did not do what Mr Rudd promised.

But having just failed in its $10.4 billion cash-splash, Mr Rudd is now panicking and is asking us on this side to support a $42 billion cash splash—’Do not scrutinise it, just support it.’ It is now clear that the Rudd government has panicked and that spending is more than out of control; it is train crash material. The government is determined to leave a debt legacy for future generations of Aus-
Mr Rudd is a populist and will make decisions based on a short-term fix or a quick political gain. His financial management of this country is failing the Australian people. To gamble a sizeable chunk of Australia’s wealth in one hit is clearly the response of a government that is either devoid of sound economic policy or has well and truly run out of tricks. You cannot pull a rabbit out of a hat this time.

We on this side know that the decision to oppose the Rudd government’s debt-fuelled, spending-splurge cash splash or ‘throw it up against a wall’ approach to managing the Australian economy is the right decision. The coalition are committed to sound economic management and our record stands on that point. We want to ensure that government spending is of a high quality and reduces the burden on the Australian taxpayers and their children. We cannot support policy that does not spend the Australian taxpayers’ money wisely. That is not economically responsible and that, Mr Rudd, is not what an economic conservative does.

Senator CORMANN (Western Australia) (4.17 pm)—These are serious times, of course, and serious times require serious action, not just any action but serious action. I know that politicians in the face of a crisis want to do something, they want to be seen to be doing something, but just doing ‘something’ just to be seen to be doing ‘something’ is not enough. Serious times require serious consideration of what is the best way forward for Australia. It requires serious engagement between government and opposition, not a government that comes in here and says: ‘Take it or leave it. We want to spend $42 billion of taxpayers’ money. Just roll over and within 36 hours we want to sign off on it.’ That is sheer arrogance. It is reckless and irresponsible and for the government to even expect that we would go along with it is just breathtaking. We have the responsibility to give serious consideration to this legislation to ensure that what we do here in Canberra does not make things worse across Australia.

Yes, we are facing a serious and significant economic challenge, but this package is not the answer. This is a reckless package. It is a misguided, ill-thought-out package. It is a package put out by a government in panic mode. Faced with a global economic downturn, the government has pushed the panic button instead of coming up with some real solutions. Faced with a global economic downturn, Labor have reverted to type—spend, spend, spend; tax, tax, tax; borrow, borrow, borrow—like Senator Cash has just said. They are spending like drunken sailors: ‘Let’s throw some more money at the wall and see what happens.’

This latest Labor government continues, of course, in the bad tradition of previous Labor administrations. Labor has a history of mismanaging our economy. Under Paul Keating it was the ‘recession we had to have’ and a $96 billion deficit. Today under Prime Minister Rudd it is a deficit we have to have—and a $111 billion deficit at that. And let us not forget the socialism we had to have under Gough Whitlam or the bank nationalisation we had to have under Ben Chifley. What else are we going to have? Are we going to put the economic potential of this great nation of ours at risk under future Labor administrations? At the end of the day, every time Labor has been in charge of the economy it has ended up in tears, with the Australian people having to foot the bill.

If the government happens to be successful in getting this package through, this will also end up in tears and it will be the Australian people yet again who will have to foot the bill. This $42 billion package does nothing to fix the problems we are facing. This package will actually make things worse.
This package is reckless, it is ineffective and it is the wrong way to go. How did the government want the opposition to deal with this? They wanted us to rubber-stamp $42 billion in additional spending. They wanted this parliament, the parliament representing the people of Australia, to approve $42 billion in spending in less than 36 hours—more than one billion dollars per hour of scrutiny. To expect us to go along with this is just scandalous.

The Leader of the Government in the Senate was having a go at the opposition in question time yesterday—he did it again today and he did it this morning as he was introducing this legislation—because we were not prepared to give up our job of holding the government to account. I made the odd interjection yesterday in question time and on one interjection I was pulled up by the President for calling the Leader of the Government in the Senate, Senator Evans, a hypocrite, and I withdrew—

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—Order! Senator Cormann, I do not think it is appropriate for you, under the guise of referring to a ruling that was made yesterday, to repeat that in the manner you have and I ask you to refrain from so doing.

Senator CORMANN—I would like to seek a formal ruling on that, because I have not actually reflected on Senator Evans in any way. What I want to do and what I intended to do is explain why I think the comments by the Leader of the Government in the Senate in question time yesterday and again this morning were hypocritical. I had a private conversation with the President of the Senate yesterday and he advised me very clearly on what I was able to do and not able to do, but if your ruling is different from what the President of the Senate advised me yesterday privately then I will take your guidance.

The ACTING DEPUTY PRESIDENT—I am happy to seek the guidance of the President. What I did was draw your attention to where I believe you were straying into unparliamentary remarks. It is not appropriate, nor is it in order—in fact, I understand it is a breach of the standing orders—to repeat, by way of quotation, remarks which have already been called unparliamentary. I would ask you to return to your speech on the matter before the chamber.

Senator CORMANN—Let me explain why I think the comments made by the Leader of the Government in the Senate in question time yesterday and again this morning after introducing these bills into the Senate, having a go at us for insisting on some appropriate levels of scrutiny, were hypocritical. In doing so I quote from a speech that Senator Evans gave to the Subiaco branch of the Australian Labor Party, at the Irish Club in Subiaco on 28 June 2007—less than two years ago—at 6.30 pm:

Labor recognises the role and value of an empowered Senate. Our support for the Senate has grown as it has developed into an effective political institution.

Now, listen to this:

... ... ...

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

The fact is that the Australian Parliament constructed better legislation when governments had to negotiate and argue their case in the Senate. We got better legislation when Bills were thoroughly scrutinised by committees, the public had their input and governments were forced to listen and respond.

That is why I think that the comments that the leader of the government made in the Senate yesterday and again today are hypocritical.
We are talking about spending $42 billion of taxpayers’ money. We are talking about a package that the Australian has described as ‘Rudd goes for broke’. Let us reflect on that just for a moment. ‘Rudd goes for broke’, according to the Australian, refers to none other than the Prime Minister of the Commonwealth of Australia. When the Prime Minister goes for broke, the whole of Australia goes for broke. When the Prime Minister goes for broke, he forces Australians to go for broke. Australians have seen too many Labor prime ministers going for broke before. I put it to you that Australians do not want Australia to go for broke. Australians want a government that manages the economy carefully, skilfully and effectively. Australians want a government committed to sound and sensible economic management.

It is important to remember that governments cannot actually inject new money into the economy. Whatever the current government may believe, this is a very important reality. I do not think that this administration has quite understood it. Governments cannot inject new money into the economy. All that governments can do is redistribute money they have taken out of the economy by taxing individual Australians or businesses of today and tomorrow. They are forcing future generations of Australians to pay more in taxes to repay a significant borrowing of up to $111 billion or $200 billion, according to the package that this government is going to impose on future generations.

Would this $42 billion generate economic activity? Of course it would—$42 billion is a lot of money—but what sort of economic activity? All that the $42 billion package would do, by throwing more money at the wall, is create artificial demand—and, not only that, it will create artificial supply. You will have all those people out there with a ute in the back of their garage offering insulation. Whether they currently specialise in it or are responding to a genuine demand does not matter; the government is now creating artificial supply and artificial demand that does not correlate to genuine demand. What happens when the money runs out? Guess what—even $42 billion runs out one day. As soon as that $42 billion runs out, you will have all those people used to this government’s largesse coming through responding to a demand that is not real demand and responding to a demand that was created by government intervention.

What will happen to unemployment? The government will say, ‘All those people will be unemployed. Let’s put some more money out there, let’s create some more artificial demand and let’s create some more artificial supply,’ rather than let the market decide what it is that individual Australians want or need. Here we have a government who think: ‘We’ll take some money from these taxpayers over here and we’ll decide how you should spend it; we’ll decide how it is best allocated. Whether you need it or whether you want it, it doesn’t matter.’

Governments are not better at distributing resources in a more productive way than individuals. The arrogance of the government in the way they want to push this through the Senate is breathtaking. Labor wanted us to rubber-stamp this within 36 hours, without scrutiny, without asking too many questions. Have the government given us any reason to have confidence in their capacity to manage the economy? Have they given us any reason over the last 14 months to be prepared to sign a blank cheque?

Let us reflect on what has happened over the last 14 months. Before the last election we had the then Leader of the Opposition deceiving the Australian people into believing that he is an economic conservative, when now all he is is good old-fashioned Comrade Kevin. We had the inflation genie...
‘out of the bottle’. They were talking up inflation and talking up interest rates for political purposes, even though that was not in the best interests of the Australian people and even though that was not in the best interests of the Australian economy. What has happened to the inflation genie? Have we heard about the inflation genie in recent months? It has gone, hasn’t it? Yes, it has.

Then we have the budget. In the lead-up to the budget, all the rhetoric was that we had to cut spending and it was going to be a tough budget. What happened? The government increased spending by $15 billion. They increased taxes by $20 billion. That was the only way that they were able to keep any sort of surplus at budget time: increasing taxes by $20 billion. When Labor came into government just over a year ago, they took over a $22 billion surplus. Now we are talking about temporary deficits. The reality is this: deficits under Labor are never temporary; they never are. Labor have got a plan to get us into deficit; they do not have a plan to get us out of deficit. We have the bank guarantee fiasco, and I do not even have to go into the detail of that as I am sure that the Senate well remembers the fiasco of the unlimited bank guarantee. Take the $10.4 billion cash splash. What has that done?

While all this has been going on, we have got the government telling us this is the worst economic crisis since the Great Depression. That is what has been said in this chamber again over the last couple of days and that is what I have heard Labor ministers, including the Prime Minister, say in recent weeks. If it is the greatest economic crisis since the Great Depression, why aren’t they having a more serious look at the impact of their proposed Carbon Pollution Reduction Scheme? Why don’t they even model the impact on the economy and the impact on jobs of the Carbon Pollution Reduction Scheme, an additional tax on carbon in the context of the global financial crisis? Treasury admitted that they have not done that. They have not done their job. From Paul Howse of the Australian Workers Union to Dr Brian Fisher, who has done some modelling for the Senate Select Committee on Fuel and Energy, a whole range of responsible and good people are calling on the government to do the responsible thing and conduct that modelling. But, no, they say, ‘Who cares? It’s not necessary. We’ve done modelling even though we haven’t looked at that.’ It cannot be so bad then if in the government’s view they do not think it is necessary to model the impact of the global financial crisis on their Carbon Pollution Reduction Scheme. It cannot be so bad in your mind, can it? I do not really understand where the government are coming from. While I am thinking of that, and while we are talking about the Carbon Pollution Reduction Scheme, I note that in the United States one of the things that President Obama—and Kevin Rudd is keen to be associated with the new momentum of President Obama—is doing is actually becoming more protectionist. Have you heard about this? President Obama is introducing some more protectionist policies in the United States of America to actually—

Senator O’Brien interjecting—

Senator CORMANN—Yes, I know; you spoke out against it.

The ACTING DEPUTY PRESIDENT—Order! Senators! Senator O’Brien, you will endeavour to refrain from interjecting. Senator Cormann, you will address your remarks through the chair. Senator Fierravanti-Wells, you will not speak while I am addressing the chamber.

Senator CORMANN—Thank you, Mr Acting Deputy President. This is actually a very important point. This is a quite critical point for jobs, particularly in the steel indus-
try. President Obama is seeking to support the steel industry in the United States at the expense of the steel industry here in Australia by introducing protectionist policies in the United States. At the same time this government is looking at implementing a Carbon Pollution Reduction Scheme which is going to impose additional costs on our exporters and which is going to make it more attractive for importers and which is going to make it more difficult for Australian manufacturers to export overseas. How does all of that fit together? How can this government think that it is not economically responsible to do some proper, thorough Treasury modelling into the economic impact of its proposed CPRS, particularly in the context of a changed world environment and in the context of some of the things that are happening overseas, particularly in the United States of America?

We have got this $42 billion cash splash. What is this going to do? It is going to end up with us having $111 billion worth of debt, for starters, and even up to $200 billion of debt, with a $9,500 debt for every Australian. This is absolute panic stuff, in the great tradition of the Labor Party. There is absolutely no doubt that this is Whitlamesque. I read comments by some commentators in the Australian who were critical of coalition members of parliament making that association. But let us reflect on that. Gough Whitlam was Prime Minister at a time of international economic turmoil. Kevin Rudd is Prime Minister at a time of international economic turmoil. Gough Whitlam thought he could spend his way out of trouble. Kevin Rudd thinks he can spend his way out of trouble. Gough Whitlam went to great lengths to borrow more and more money when he was getting into trouble because he could not keep up with it all. Kevin Rudd wants to borrow more and more money. Kevin Rudd wants to increase our bank card to $200 billion—a staggering $200 billion. It is mind-boggling. Senators opposite are going to go down in the history of Australia as having been complicit in taking Australia into the largest debt ever in the history of the Commonwealth. In 20 years time people will look back at this chamber’s members and they will say, ‘What did those senators do? Why didn’t they do their job? Why didn’t they hold the government to account? Why didn’t they stop this from happening?’ We have on the other side senators who are not even prepared to stand up and talk about it. Do you know why? The government has told the senators on the other side not to participate in the debate, so they just shut up.

Senator O’Brien interjecting—

Senator CORMANN—Are you allowed to speak in this debate?

Senator O’Brien interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator O’Brien, I have asked you previously to cease interjecting and I have asked Senator Cormann not to respond.

Senator O’Brien—But—

The ACTING DEPUTY PRESIDENT—Excuse me, Senator! I was about to ask Senator Cormann to address his remarks through the chair rather than debate across the chamber.

Senator O’Brien—Mr Acting Deputy President, I rise on a point of order. Is it in order for the senator to fabricate the position of a senator across the chamber? Is that a misrepresentation or a reflection?

The ACTING DEPUTY PRESIDENT—Senator O’Brien, that is not a point of order. And I might just, while I am speaking, remind Senator Cormann that it is appropriate, if you refer to a member of the other house or the Prime Minister, to address them in the appropriate manner—by their title or Mr or Mrs.
Senator CORMANN—Senators on the other side are very touchy, aren’t they? Very, very touchy, aren’t they, those senators on the other side? Through you, Mr Acting Deputy President, I would like to know whether one of those senators is actually going to participate in this debate, because I believe—and I am happy to stand corrected; I am happy for a senator on the other side to get up, ask for the call and correct my statement—that senators on the other side have been told by their government not to participate in this debate. I believe that senators on the other side have been told not to scrutinise, not to speak, not to in any way question or participate in the debate about this $42 billion package. In my view, they are just sitting there and not doing their job. The point I am making is that senators on the other side will go down in Australian history as not having done their job at a crucial time. At a time when we are facing significant economic challenges, the Labor side—in this Senate, at least—were not prepared to participate in this debate.

I will sum up by going back to where I started. These are serious times—of course they are. These are serious times which require serious action, not just any action. This package is not serious. The way the government have sought to rush this package of bills through the parliament is not serious. The way the government are treating this debate is not serious. If the government were serious about doing the right thing by the Australian people, if the government were serious about doing something that is going to help take the Australian economy forward, they would engage sincerely with the opposition. They would take up the offer of Malcolm Turnbull, the Leader of the Opposition, to engage constructively with the opposition and have a discussion about how we can come up with a more sensible package, a package that is actually going to make a difference.

Senator NASH (New South Wales) (4.39 pm)—When we come into this place, those of us on this side of the chamber have a very firm belief that we have a responsibility to ensure a secure future for the Australian people. That is what we believe; that is a priority. That is absolutely what we strive to do every single day. There is no doubt that we are facing very serious times, as my colleague Senator Cormann said. We are facing very difficult times.

This package of bills that we are looking at, the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and related bills brought to us by the Labor government, is $42 billion worth of economic stimulation, according to them—a $42 billion package that, according to them, is designed to stimulate the economy in these difficult times. Earlier today, my colleague Senator Mason pointed out that in fact it is not an economic stimulus; it is a political stimulus. You barely have to scratch the surface of this package to realise that it is not going to deliver the economic stimulus that is needed. That is what we on this side believe, and that is the reason why we are not supporting these bills.

The primary intent of this legislation is not going to be achieved. Labor wants to have that economic stimulus; we do not believe it is there. You do not have to go very far into this package to see that political stimulus. All the hype and media focus is on the package providing an economic stimulus, but, if you drill down—and if the media has a close look—line by line through this package, you see that it smacks of political stimulus.

One of the quite extraordinary things about this is the absolute arrogance of the Labor government in asking the coalition to tick off on this package within a matter of 48
hours. That is just extraordinary. It is even more extraordinary when you go back to when the coalition were in government—and you do not have to go back very far—and see that we were subjected to hours and hours of railing from the then opposition, from this side of the chamber, that they were not able to scrutinise legislation, that they were not able to look at things properly, that it was a dereliction of duty that they were not able to have a good look at legislation. And now what do we see? We see that very same Labor Party sitting on the other side saying, ‘Rush it through, tick it off, don’t look at it, don’t scrutinise it; we don’t want you to say a thing about this after any scrutiny—just tick it off.’ I do not know about anybody else, but to me that position is the direct opposite of the one they had when they sat over here. Now they have moved over there, they have decided that it is quite all right to rush stuff through and expect the coalition to tick it off, thank you very much.

Senator Cormann made some comments earlier about the hypocritical nature of that. I will just say that it is extraordinary, and the Australian people should look at what the Labor Party did when they were in opposition compared to what they are doing now they are in government. It is $42 billion—that is, $42,000 million—and the Rudd government expected the Liberal and National parties to say: ‘That’s fine, Prime Minister; you just pop that right on through. I’m sure the Australian people will be fine if we tick off on $42 billion worth of their money without having a look at it! But, sure, we’ll just go right ahead and do that.’ We do not think so. We want to have appropriate scrutiny of these bills. It is right and it is proper and it is fair, and the Australian people deserve it.

My very good colleague Senator Joyce said earlier today, ‘Why the haste?’ What difference do a few days make when we are going to have some proper scrutiny? Why the haste? As he said, ‘Is there a pile of boom gates behind a shed somewhere that might be pulled out and we can have a bit of a quick run-out around the country?’ I do not think so! While boom gates are very worthy and very necessary things for rural Australia—living in rural Australia I absolutely know that, as do my other rural colleagues in the chamber on this side—it is not actually the first thing that comes to mind when we are talking about what is going to lead us to an economic recovery. I cannot see President Obama sitting over there going: ‘Right, I’m in now. What am I going to do? Hmm. Quick, think: Economic recovery, 300 million people, $900 billion—I know! Boom gates!’ It is not appropriate. While that is only one part of this package, it is an example that comes back to my earlier statement about it being a political stimulus. That is about politics.

My good colleague Senator Joyce also mentioned the pink batts in the ceiling this morning—another thing to drive the economic recovery. And my very good colleague Senator Williams pointed out that, for a very close companion of his, this was going to do her absolutely no good at all in her house. So how much work, how much scrutiny have the government put into what they are doing? Minister Wong was asked this afternoon in question time about the Energy Efficient Homes program and about the batts going into the homes. The question was: what was the estimate of the carbon dioxide that will be emitted in the manufacture and distribution of the insulation required for the 2.2 million homes targeted under the government’s program? Guess what? She did not know. The minister could not answer that question. This is from a government, from a side, that rails constantly about how important the environment is. And it is. It is extremely important. And in spite of the minis-
ter’s comments, comments that we often hear about this side of the chamber, we are very, very conscious of the importance of the environment on this side, of the chamber, particularly those of us who are farmers. We realise that, if you do not look after the land, the land will not look after you.

With a question like that anybody would think, ‘Hmmm, perhaps the government’s actually considered what the effect of rolling out these batts is, seeing that it’s such a great idea and it’s one of their keynote things—but the minister could not answer the question. Is this indicative of the amount of work and scrutiny that has gone into their own package? If they do not know the answers, how on earth are the Australian people going to get the answers? How on earth are the people in Australia going to have any confidence that the Labor government have put this package together with the right amount of analysis, scrutiny, foresight and thought that it deserves? It is that very reason—that is, that we do not believe they have—why we are not supporting it. We are not going to support it for precisely those reasons.

Interestingly, my colleague Senator Cormann said earlier that the Labor Party has reverted to type. He is quite right. Borrow, borrow, borrow; spend, spend, spend; borrow, borrow, borrow—it is what they know, it is what they do. ‘Sound economic management’ are three words that are not in their vocabulary. It is about borrowing and it is about spending, and it is not their money. The $42 billion is not money that has suddenly fallen out of the sky recently or that we have managed to pull up from underneath a building. This is Australian taxpayers’ dollars. This is Australian people’s money. And $42 billion is an extraordinarily huge amount of money—42 thousand million dollars. Perhaps the ALP has not realised it, but going into debt has its consequences. It has consequences. And who is going to pay it back?

I will tell you who is going to pay it back: our children. It is our children who are going to pay it back. It is my William, my Henry, Barnaby Joyce’s four, all of my colleagues’ children and every other family’s children in this country who are going to pay this back. I do not know if the Labor Party have actually thought about that, but these are real children that are going to be burdened with this debt for years and years and years to come—debt for a package that we do not believe is even going to go close to delivering the economic stimulus that is actually required.

We are not going to tick off $42 billion of spending that is going to plunge mums, dads and our children into enormous debt for years and years and years. Mr Rudd, the Prime Minister, is constantly talking about working families, as are all of the other Labor members because they work on message and they are like little parrots and they all say exactly the same thing all of the time. They are constantly talking about working families. Well, working families are going to be working for a very, very long time to pay this back.

Senator Cormann—that’s if they’ve got a job!

Senator NASH—Thank you, Senator Cormann, I will take that interjection: that is if they have got a job. This package should be about productivity and job creation, not handing out buckets of money in a cash splash that is going to disappear to China or goodness knows where else like the last $10 billion did. This should be about productivity and about creating real jobs. It is an irresponsible package.

The Prime Minister and all of the ALP—again, because they are like parrots and they all keep saying the same thing; an original thought might be a little bit tricky—are constantly talking about decisive action. They think that if they say ‘decisive action’ for
long enough, the Australian people will believe that everything they do is decisive. I do not know. Senator Conroy was in here this afternoon talking about ‘decisive action’. I wonder if he popped out his Weet-Bix this morning and said, ‘Gee, this is decisive action as I’m eating my breakfast!’ Everything is decisive action. It does not matter if it is or not; everything is labelled decisive action in the hope that the Australian people will eventually believe that they are actually taking decisive action. They are not. It is not decisive action; it is irresponsible action. What we need from the government is not decisive action that means nothing; we need responsible action. What we need from the government is not decisive action that means nothing; we need responsible action. This package is irresponsible. It is an irresponsible use of taxpayers’ money. Quite often we have said that in this chamber about a number of other things, but never, never, never about $42 billion in one hit—never! This is an unprecedented amount.

And the amount of funding in this that is just going to completely disappear is extraordinary. If we are going to do a government spend, it should be targeted at productivity, it should be targeted at job creation and it should be targeted at infrastructure. If we are going to give our children a debt burden for years and years and years, then there should be infrastructure to show for it. We should be talking about inland rail, we should be talking about dams, we should be talking about water infrastructure—the important things. Not ‘here’s $950 in your wallet’ in the hope that maybe not all of it will be saved. There is no doubt some of it will be saved, which, in general, is a very good thing but not for the point and the purpose of what the government are trying to do. They are trying to encourage spending. They have got no idea where that $950 is going to end up. They have not got a clue, and yet there is nothing targeted for solid, substantive infrastructure that is going to provide a sustainable future for this country.

The $10 billion package before Christmas, as my colleagues have already referred to, was an absolute failure. What happened to the jobs that were going to be created? At best, in a fairies-in-the-garden scenario, you could say the jury is out. But, lo and behold, now we have another $42 billion: ‘Give us the tick on this. We are not sure if the first economic stimulus worked. We really haven’t got a clue about that. I know: we’ll just go and get another $42 billion and we’ll throw that after the $10 billion. A bit more money might work.’ That sounds a bit familiar, doesn’t it? It has the ring of previous Labor governments about it. A bit more money! They are throwing money after money. Is there any substantive thought? No. Is there any sustainable future? No. Are there any infrastructure priorities? No, they just throw out more money. Most of my colleagues and I were absolutely flabbergasted—that is probably the only word I could use—when we saw the legislation come through that said, ‘Current borrowings are $75 billion; we want to increase it to $200 billion.’ It is a bit like going into the bank and saying: ‘Look, I have my MasterCard here. I’d like you to just rack it up to $200 billion, thanks. We aren’t sure what we’re going to spend it on. We don’t have any idea. We haven’t put any thought into that’—

Senator Cash—we might need it one day.

Senator NASH—’We might need it one day’—thank you, Senator Cash—’and we might need it one day soon, because this is all falling apart.’ The very interesting thing is that hospitals and health have not been mentioned in this package. I wonder what is suddenly going to start coming out of that $200 billion limit you are asking for. It looks like an omission from this, so I am sure the Prime Minister has a little plan in his back pocket. The point is that this spending is not anywhere near finished. You do not ask for an
increase to $200 billion without the intent to spend it. That money is going to put the burden of debt onto our children for years and years.

What is in the package for infrastructure? Schools. We are great believers in investment in schools. The coalition put in place the Investing in Our Schools Program. What a great program that was. How much the schools responded to and completely applauded that program. Of course, the Labor government got rid of it. Isn’t it interesting to look at all this funding that is going to schools at the moment? How much the schools responded to and completely applauded that program. Of course, the Labor government got rid of it. Isn’t it interesting to look at all this funding that is going to schools at the moment? If the state Labor governments were doing their job properly and were putting the money towards schools as they were supposed to, the ALP government would not even have to be doing this. The Labor governments around the country are failing our school system, and they know it. This is just a cover-up. It comes back to the point that this is not an economic stimulus; it is a political stimulus. This is about bailing out state Labor governments. If they had been doing their job properly, the money would not be needed.

It is interesting to note what else is not in the package—rural Australia. Senator Stephens, as somebody who professes to be from rural Australia, you should be absolutely appalled. What is the total value of the package? $42 billion. How much do you expect rural Australia to get out of that? Maybe $15 billion? Ten billion dollars? Five billion dollars? Maybe we should cut it down a bit—$3 billion out of $42 billion? Does that sound fair? Maybe it is a little bit light on for rural Australia. We get $20 million. There is a big outlay from the Labor government! As a percentage, I would say that that shows exactly how much Labor cares about rural Australia.

Hospitals are not in the package. ‘Kevin Rudd will fix our hospitals’ was the quote about the current Prime Minister during the election campaign. There is nothing at all in this package for them. Maybe it is to come later. Maybe we will see it next time around. Why isn’t it a priority now? That is an absolute priority for people across this nation.

Senator Joyce—They should swap the insulation for hospitals.

Senator NASH—My good colleague Senator Joyce is absolutely right.

Where are pensioners? Where are self-funded retirees? They are simply not there. It is interesting that the Labor Party said earlier that people out there in the communities are going to be absolutely appalled at what the coalition is doing. I want to read you an email that I received today from Mr Steven Mitchell. His email is indicative of the view of a number of people out there in the community. His email is indicative of what they actually believe is happening. I do not make it a habit to write to elected members of parliament, but in this case I feel compelled to.

The federal government has recently forwarded a bill that it has labelled as a ‘stimulus plan’ for the country. It is nothing more than an insane political stunt that threatens the very welfare and prosperity of all Australians for generations to come. Borrowing money to give cash handouts is in no way going to turn the Australian economy around. For every $1000 given out it is likely that the government will need to raise $2000 or more in taxes to pay for the handout. This taxation will deter future job growth. Many of their other spending initiatives will not create genuine wealth either, as they do not focus on greater productivity; productivity is the heart of employment. There is no long-term value in this radically irresponsible proposal.

I urge you as a fellow decent Australian to reject the government’s ‘stimulus plan’. Please do not try and second-guess what may be popular - this plan is utter madness. If this proposal is passed by the senate we are on the path towards complete
destruction of future economic prosperity for generations to come.

So much for the Labor Party saying that those out there think that we are doing the wrong thing. We are not doing the wrong thing. We are doing the right thing, the responsible thing, for the people of this country. There is no doubt that we are experiencing very difficult and serious times, but this plan is not the way forward. I and my colleagues will oppose the package and make sure that we have a secure and sustainable future for all Australians.

Senator FISHER (South Australia) (4.59 pm)—The coalition supports stimulation, in this case of a fiscal kind, because the economy needs it. Australia needs stimulation of the economy and stimulation of Australians to spend. The trouble with the Prime Minister’s so-called fiscal stimulus package is that it will achieve none of that. This so-called fiscal stimulus will not stimulate jobs, jobs, jobs. What it will stimulate is debt, debt, debt, so that tomorrow’s children will be required to repay today’s debts. It will stimulate debt and, as my colleagues have said, in particular Senator Nash, it will stimulate politics. It will stimulate the Prime Minister’s popularity in the immediate short term.

What is wrong with the Prime Minister’s so-called fiscal stimulus package? Let us consider just some of the aspects. It is too much money, it will not work and it will burden tomorrow’s kids with today’s debts.

We know that our opposition to the so-called fiscal stimulus package will not be popular in the short term, but we are prepared for that. We believe it is the right decision, unfortunately, for our country at this time. We know that our opposition to a cash splash will not be popular, but we know it is right. Many people would welcome free money, but many people will also recognise that government money is not only not free; it is not government money—it is their money and one day it has to be repaid. They know that they will be the ones that have to pay it back, but, worse than that, their children and their children’s children stand to have to pay back the debts of today.

Let us reflect for a moment on some of the reasons why the world might be in this mess. I am no economist, but the world’s economists have suggested that we have this so-called global financial crisis in part because of the sophistication of the financial products that were being utilised around the world. The financial products were so sophisticated that they camouflaged the risks. You could not see them. It was someone else’s money and someone else somewhere else was taking the risks. The scenario allowed too many people to borrow too much money.

The Prime Minister’s so-called fiscal stimulus package mirrors those faults. It camouflages the risks; it risks other people’s money. Governments do not have money; they borrow it and use taxpayers’ money—it is our people’s money. The government is asking tomorrow’s taxpayers, tomorrow’s children, to foot the risk and fund today’s debt. How can this package cushion us from a recession when it is premised in part on the very things which the world’s economists say led us to this position in the first place?

The Prime Minister is asking us in this place to rubber-stamp his so-called fiscal stimulus package. Labor has demanded that parliament approve the plans within 48 hours, yet it refuses to sit down and discuss the plan with us or, indeed, with others. It is 48 hours for just 42 billion bucks. That is just over an hour for every billion dollars or, to put it another way, just one second for each quarter of a million dollars of expenditure of taxpayers’ funds. We think that is taking a risk too far.
The Prime Minister expects Australians to hold him in blind faith, but he was not up-front when he made his policy announcements on Tuesday, because the fact is that while talking of a $42 billion emergency package the Prime Minister was actually seeking a taxpayer funded line of credit to five times that amount, some $200 billion. Like an oversized credit card, Australians will be paying for these debts well beyond the end of the Prime Minister’s spending spree.

But Australians have learnt from bitter experience what happens when you get that letter from the bank. In the government’s case it would say: ‘Dear customer, you are about to reach your $75 billion credit limit. Would you like to extend it to $200 billion?’ Australians have learnt that behaviour like that in a consumer sense has contributed to the situation we are in today. They have learnt that our lending institutions lent too much money to too many people who could not afford to pay it back. They will see through this ploy from Rudd Labor. They will see through this move by the Prime Minister to write to parliament, under camouflage of a bill, saying, ‘PS: Let’s extend the line of credit from $75 billion to $200 billion. Let’s almost triple it.’ They will see through that and over time they will not accept it. They will see that as the beginning of the end or, worse still, the continuation of what has got us to where we are today.

Why not this package? The country needs a stimulus package that will create and protect jobs and bolster the economy. But when subjected even to minor scrutiny—of course, that is all we have had time for—the package cannot do what it seems to purport to do. The Prime Minister might as well have been running for the job of Santa Claus prior to Christmas when he handed out his cash splash at that time, with cash bonuses to the tune of $10.4 billion. Now we work out that it was all for nix. It is gone, gone, gone.

**Senator Cash**—It’s got to be repaid.

**Senator FISHER**—It has to be repaid, indeed, Senator Cash—with interest! For all his promises, the Prime Minister’s grand plan to save the economy resulted in the expenditure of less than 20 per cent of the total bonus payments pre Christmas. Had that plan been at least partly successful, we would not be in the situation in which we find ourselves today. We would surely not be debating the so-called need for and wisdom of a $12.7 billion cash splash starting tomorrow. Indeed, the cash did not cause enough of a splash last time, and it certainly will not help now.

**Senator Fierravanti-Wells**—It barely created a plop.

**Senator FISHER**—I didn’t get wet. Let us look for a moment at the aspects of the cash splash that promise some bonuses to individual taxpayers. This helps illustrate why it is not just the concept but also the manner in which it is to be administered that fails to stand up to scrutiny. In their rush to have the plan put into action, the Treasurer and the tax office say that eligibility for the one-off cash payments will be assessed on the basis of last year’s income tax returns. Of course, when you splash the cash you have to draw the ad hoc line somewhere, so the government has chosen to draw the line at the financial year ending June 2008. Well, by the government’s very own admission, we are right now in very different times from June 2008; otherwise presumably they would have been planning back then for exactly this scenario, yet they tell us they were not.

June 2008 was very different from today—let alone from the short-term future. Yet the government proposes to splash its cash according to those who had certain income levels as of the end of June in the pre-
ceding financial year. What of the Australian workers who have lost their jobs since then? What of Australian workers who stand to lose their jobs in the future? Where is the justification for splashing the cash based on whether people had incomes at a certain level as of June last year when, by the government’s own testimony, the circumstances have been changing daily? If examples like this are just obvious on the surface then the package clearly demands further scrutiny.

The Leader of the House, Mr Albanese, suggests that any reasonable person would consider 20 hours sufficient time to consider this country’s biggest ever one-off spend. But signs of a contracting economy did not mysteriously appear on Monday of this week. Perhaps if the Prime Minister had spent recent weeks looking after the economy rather than writing a thesis we might have got a more considered so-called stimulus plan.

Instead, the Prime Minister seeks to allay the concerns of massive debt-skewing government balance sheets by saying that Australia will experience only a temporary deficit. Australians know that Labor deficits are never temporary—as if debt to the tune of 20 per cent of Australia’s gross domestic product is something that should be taken lightly. Representing the Treasurer in question time today, Senator Conroy all but dismissed concerns of interest payments being an ongoing burden. He suggested that $2.6 billion a year was nothing to be concerned about, yet 12 months ago $2.6 billion constituted 10 per cent of the budget surplus. Contrary to the opinions expressed by well-intended Australian consumers about free money and free batts during, for example, the TV news on Tuesday night this week, this package is anything but free. It is certainly anything but guilt free.

In a stimulus package designed in large part—yes, Senator Nash—to stimulate politics, we have a Prime Minister asking this place for a blank cheque and seeking to risk $200 billion of taxpayers’ money on the one-off chance that it will be enough to keep Australia out of recession. But what he is really doing is seeking a level of debt equivalent to $9½ thousand for each and every Australian. The opposition have a responsibility to ensure that we are not risking the future of our nation’s children. We know that tomorrow’s children will pay today’s debts. So, without further scrutiny, it is a risk that the opposition will not take. Rudd’s package is poorly targeted, ill thought—

Senator McLucas—Mr Rudd.

Senator FISHER—Mr Rudd’s package is poorly targeted, ill thought out and irresponsible. It will not bring about the necessary fiscal stimulus. In question time, Senator Conroy accused the opposition of playing short-term politics, yet this is a stimulus package designed to stimulate politics in the government’s favour. For the short term, it may well do that. We are ready for that, because opposing the package is the right thing for us to do.

On jobs and the economy, this package will fail the bang-for-the-buck test. The only bang that we will hear will be the plans backfiring and landing in the wrong place. As the Leader of the Opposition, Malcolm Turnbull, has said, we need to keep a few shots in the locker. There will be none left if the package proceeds; this will be it. It is supposed to be about stimulating spending and encouraging Australians to shop for the benefit of the nation’s bottom line. Yes, that is what we need. So will it be free money? Will it be guilt-free spending? The Prime Minister tells us to go shopping—shop, shop, shop as if the money is free. No cost, no guilt. Think of the country and help us to spend to avoid recession!
Some well-intended shoppers have taken the Prime Minister at his word. They think they will be able to shop, shop, shop as if the money is free—no cost, no guilt—and they will like it because they will be able to feel good whilst they are doing it because they will think they are doing it for the country, at the Prime Minister’s request: ‘Think of the country and help us to avoid recession.’ But over time they will realise they have been misled, and badly so. They will remember the lessons of past Labor governments: debt, debt, debt. Like an offer of an increased credit balance on an already maxed-out card, they know that this package is all about spending money we do not have.

But it gets worse, because the Prime Minister is attempting to sell a defective product. If an Australian shopper were to buy a defective product, if it were not fit for purpose, they would be entitled to one of two things: either their money back or a replacement product that is fit for purpose. But what will happen when Australians discover that this so-called fiscal rescue package is not fit for purpose? They will not be able to get their money back, because it will be gone, gone, gone, and they will not be able to get a replacement that does the job because the bank will not have the money to pay for it. There is no fallback. There is no return clause. There is no replacement guarantee. It will be the game threatening to be over.

The Prime Minister’s so-called stimulus package fails at the very first test. It is not an economic stimulus. It will not stimulate jobs; it will stimulate debt and it will stimulate the Prime Minister’s politics. It is too much money, it will not work and it will burden tomorrow’s children with the debts of today. It must be opposed in its current terms.

Senator BOYCE (Queensland) (5.17 pm)—As a parent I have found it amusing but slightly irritating to watch the Prime Minister throw the granddaddy of all temper tantrums in the past two days. If a child were doing this, one would be tempted to characterise it as a game a spoiled little boy had made up all by himself. The game would be called ‘beat the inflation genie’, and the little boy would have written all the rules himself with absolutely no help at all from the grown-ups. One of the primary rules he would have adopted would be that no-one can play unless they agree with that little boy’s rules. Of course, in this situation we are not dealing with the underdeveloped emotions of a child; we are dealing with the expectations of an adult, the person who is supposed to be the country’s most responsible adult. We are dealing with the expectations of the Prime Minister.

Australia has had the details of this package only since Tuesday afternoon. Parliament has not had any time at all to analyse it in detail, yet it is the largest expenditure by a federal government in 35 years. In the view of the coalition—and I am pleased to say of the other non-government parties—it deserves detailed parliamentary scrutiny and will, because of the moves of the coalition and the other non-government parties, receive some detailed parliamentary scrutiny, though certainly not with the approval of the government, who are doing their best to stop scrutiny of this bill. The government wanted to push this bill through parliament in 48 hours. As my colleague Senator Fisher pointed out, that equates to $1 billion an hour that we would have been throwing out onto the Australian public and through which we would have been racking up debts for them for years to come.

Senator Fisher—Yes, that’s all; it’s only taxpayers’ money!

Senator BOYCE—Yes, just a billion dollars an hour! I think that the rushed response of the government indicates exactly how
they deal with all economic matters. The coalition stands very firmly by the view that the wealth and economic activity of this country are best handled by the private sector, with competent, sensible regulation by government. It is clear that the government need to act and do their best to help Australia ride out the financial crisis that is currently affecting every country in the world. Luckily, to date, the Australian economy is not as badly affected as most. However, if we are going to act, we would like to think that the action is planned, that we know what we are hoping to achieve by doing it and that we implement it in a sensible and calm way. We recognise that overzealous, rushed public policy from government can lead only to unintended consequences—and we have already heard from Senator Brown about a few of the errors that have crept in and about people being potentially able to double dip for the $950 payout.

Not only are we looking at rushing this through but we will be putting Australian taxpayers in a far worse position than they already are. We saw exactly how that worked when the government tried to put through a bank deposit guarantee last year. A bank deposit guarantee was a very good idea, but the government rushed, as usual, into that policy and ended up with an unlimited bank guarantee which had knock-on consequences and made the situation much worse than it needed to be. We saw investment vehicles that were not covered by the guarantee freeze investment redemptions because money was flooding out of the funds whilst investors were trying to move their money to bank deposit accounts that attracted this mythical unlimited bank guarantee. Many investment funds have stated that their decision to freeze funds was a direct response to that government policy.

So that policy increased the illiquidity of the market and left thousands of investors with money trapped in accounts. It is nice to at least know that some of them will now be eligible for the $950 handout courtesy of the government’s mishandling and ineptness in terms of the bank deposit guarantee because with their funds and income streams frozen they are now eligible for some of the Centrelink benefits. The availability of money that people would have used—their own money—to help themselves get through the global financial crisis is made so much worse by inept policy from this government. And that was just the baby one; now we start to get to the grandaddy. The bank deposit guarantee was not decisive policy; it was panic policy. And now we have yet more panic policy in this $42 billion package—and panicked responses are not the actions of a confident and responsible government, and that is what the people of Australia want to see: a confident and responsible government.

Like Senator Nash I have also received numerous emails and letters from people who are not exactly going to hand the money back—they are going to take the $950; they are Australians after all and they are not stupid—but they are asking: ‘Why? I’m a bit embarrassed about this. I don’t need this money but the government is going to give it to me.’ I have one letter from a person in Cedar Creek in Queensland. It says:

I’m writing to you today about the government’s proposed stimulus package. I’m very concerned that it will put the country into huge debt without helping the economy sufficiently. I’d like you to vote against the package, as it stands, particularly the cash handout section. It is difficult for me to disapprove of it as, being married with 3 children, I stand to get almost $5000 and that money would be very useful. Nonetheless, in the long term it is going to leave the nation, and thus my family and I, worse off.

That correspondent then goes on to list a number of infrastructure and tax ideas that
she believes would be of more immediate benefit to this nation.

Australians are not stupid, as I said earlier. They can recognise an attempt to buy their loyalty and to buy popularity when they see it. They are generally not at all impressed by this. But they are very worried by it. And, when the public becomes panicked watching their leaders scrabbling to throw policies—any policy—at an issue, the situation is going to get worse and worse.

The US economist Professor Robert Shiller, from Yale University, who in the competition to produce the best economist must come fairly high up the list, is one of the few people who in writing in 2000 predicted the home lending crisis in the US. Professor Shiller commented that the real issue we have here is how we go about restoring confidence. He points out that if people are confident enough to continue trading with one another, to continue generating and creating wealth and to continue growing the economy then the crisis will be averted.

What governments should do, as far as Professor Shiller is concerned, is normalise spending as much as possible. It is not little one-off pots that are thrown about at the whim of the Prime Minister that are going to restore confidence among ordinary consumers; it is normal everyday increases in the money that people can expect to find weekly, monthly and quarterly in their bank accounts—the sorts of things that are achieved with the tax cuts that have been proposed by the coalition.

Professor Shiller pointed out that the package as proposed by this government could in fact cause people to become more anxious about why there is such a desperate need to depart from the capitalist principles that have governed the way our economy operates and that people have based their livelihoods on for so many years. Why? How bad must it be if the government is behaving in this irrational and radical way? If that view is accurate then surely it does not help that the great former economic conservative, our Prime Minister, is speaking at every opportunity about the errors of the modern capitalist system. It is the system, after all, that our businesses operate in. It is the system that has created the jobs that Australians currently have. How confident does the Prime Minister think the wealth generators and the consumers in our economy are going to feel when he is threatening that very system by speaking as he has against it?

We saw this from the government at the beginning of 2008, when they began talking up inflation. As I said, they invented the game of ‘beat the inflation genie’. The only problem was that they had no idea what they were doing when they started their game. What happened to the economy? We saw employers put prices up to deal with the inflationary threat that followed. We saw consumers struggling with higher prices for necessities. We saw confidence in the economy stutter after so many years of confident activity. There is very little in this new stimulus package to inspire the confidence that prevailed during the years of the Howard-Costello government. There is nothing in the package to assist the 1.9 million small businesses in Australia, who are largely going to be responsible for pulling Australia out of this crisis.

Senator McLucas—What about the 30 per cent tax cut?

Senator BOYCE—We will get to that, Senator McLucas.

Senator McLucas—So you can’t say ‘nothing’.

Senator BOYCE—You can say ‘nothing’ because you make nothing out of nothing—you need something to start with. We will get to that. At the same time, the Rudd Labor
government is hurting the ability of these businesses to employ staff and produce goods by working to impose the so-called Fair Work Australia legislation on us, which will in fact discourage many small businesses from employing new staff, even if they were able to do so. These businesses deserve the confidence of knowing that government policy is sensible, prudent and permanent and not subject to the whims of the Prime Minister or the Treasurer. Australian workers deserve to feel confident that the objective of the government’s package is to create jobs, support small business and strengthen the economy.

As evidence of how confident people can feel, we have the promise of the Prime Minister about the $10.4 billion package of last year. It was going to create 75,000 jobs, the Prime Minister told us. We have seen no evidence of this at all and the unemployment rate continues to rise—in fact currently it is at its highest level in two years. We all acknowledge that the unemployment rate will go up but we do not want to give the government the opportunity to play the game of ‘how fast can we get it up there’.

The Prime Minister has stopped talking about government packages ‘creating’ jobs; he is now talking about ‘supporting’ jobs. Ninety thousand jobs are mentioned, but they are not supporting 90,000 jobs; they are supporting up to 90,000 jobs. So I presume that if one job is saved by this package it will all have been worth it—$42 billion for one job—and the promise will have been kept, given that he has so carefully phrased the proposition. It is a bit like saying, ‘I support the footy team.’ Yes, but that is not going to help the footy team to win. Supporting and winning are two different things. It does not guarantee anything. The current package is very poorly targeted and it has purported economic benefits that, in the view of the coalition, do not exist.

Let us look at the $950 handout which will go to approximately 10 million people. This will not have the effect that a tax cut would have. Let us look where the cash splash went. We have evidence from retailer organisations that it would appear that $1 billion of the $10 billion was actually spent, and it is expected that some more of it will be spent. We have evidence that suggests that two-thirds of it has been saved. That is a good thing for those individuals but it is not helping the economy, which I thought was the whole idea. If you give people a one-off payment they will save it, in the main, because they are not sure what is around the corner. You talk down the economy and you give them a one-off payment and then you think that they will go and spend it because you might decide to give them another one-off payment sometime.

Economists such as Shiller have shown that the effect of aggregate demand in the economy from consumers is what makes permanent change. It will make a big difference if that money is in their bank account every week—but not the one-off splurge, because they do not know where the next one is coming from, whether there is going to be a next one, or whether in fact taxes are going to have to go up to pay for the last one that went wrong.

We have argued that tax cuts would allow Australians to know that the additional money is permanent and they can spend it on a weekly basis without losing anything come next payday. They can budget and they can plan. It seems that this is a concept that the government have trouble understanding. In fact I am not sure that they have ever thought about what consumers make of their take on economics. We even have the Prime Minister saying that he does not know if this plan will work but, oh well, never mind, let’s blow $42 billion and see what happens.
We have similar problems with the schemes that are proposed in the construction industry. I have talked to numerous people in the business world in the last few days and the almost unanimous view is that this package is completely the wrong way around. Quite a few people have used somewhat more colourful language to describe it being the wrong way around.

Senator Mason—It’s a bad package.

Senator BOYCE—It’s a bad package. Not quite a third of the funds in this package can be spent immediately and, if you are really lucky, you will get to spend the rest over the next two years. What a great idea! Let us have a small amount of money now but let us put the rest of it out, if you are lucky, over two or three years to stimulate the economy in two or three years time. But of course, because you did not put the money in immediately, we will need more stimulus than it would have needed if you had put the money in earlier.

The idea of shovel-ready programs is a nonsense, and I think that everybody except perhaps a couple of journalists at the Canberra Times knows this. There are very few programs that are ready to go. Certainly, if you are relying on the assistance of groups like QBuild in Queensland, which is notorious for its inefficiency, to assist you to get things on the ground fast, you are in big trouble. When you start involving state governments you slow things down. One shire engineer commented memorably to me that with the Roads to Recovery program—which was a Howard government initiative, with the money going directly from the federal government to the councils—if you gave the money to local government 95 per cent of it went on the roads. If you gave the money to George Street—meaning the Queensland state government—50 per cent of it got spent on meetings in town. That is exactly the way this money will go. And of course you add a few more months so that all of those meetings can be had and all those public servants can do whatever it is that the government has required of them.

So it is an ill-considered package and it is the wrong way round. Government intervention in the market will distort the market—that is for sure. We are going to have distortions all over the place in terms of the building industry—and, again, where is the confidence? What happens in December 2010 if by some miracle all the schools and houses have been built? Where is the next package going to come from? No-one knows. If it is as irrational as this one, why would you be worrying about it? Let us look at this rush into policy without any detailed modelling. There is even absolute outrage at the possibility that we would want to scrutinise it.

I mentioned earlier that there is nothing in this for small business. There is a suggested business investment allowance for small business that would allow a greater write-off—a faster depreciation—and a payment back to small business for equipment purchases over $1,000. Of course, if you are going to make an equipment purchase over $1,000 you need to have cash flow first, and the problem with this system is that if you do not have cash flow you have to wait until 30 June to get the money back. It is ridiculous. The superannuation guarantee levy that we proposed—which was grossly misrepresented by Ministers Sherry and Emerson—is a sensible and better solution for getting money to small business right now and for fixing cash flow right now. We will be opposing the government’s package.

Senator MASON (Queensland) (5.37 pm)—I rise to speak on the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and cognate bills. The blinding obscenity about this package is not that it
will not actually work. That is obscene but that is not the blinding obscenity. It is not even the fact that future generations will be placed in debt for who knows how long. That is obscene but that is not the blinding obscenity. Even Labor’s financial incompetence is no longer obscene because that is part of Australia’s political folklore—we know the history of Labor governments, particularly federal Labor governments, and we are used to it. The blinding obscenity is that this government and Mr Rudd propose to push through the largest expenditure package, outside of budgets, in Australia’s history without parliamentary oversight. That is what he proposes to do and that is the blinding obscenity of this government.

If you want to know how significant that is—I am not very good with numbers but I did a quick calculation upstairs—we are talking about 42 thousand million dollars. There are, I think, 21 million Australians, so for every man, woman and child in this nation the debt immediately will be $2,000. And for every taxpayer—there are around 9,200,000 taxpayers—the contribution will be $4,565.22. The obscenity is that that debt was going to be placed on every man, woman and child and every taxpayer without proper parliamentary oversight. That is the blinding obscenity of this government. They have been in power for 15 months and already they are pushing through $42 billion without proper parliamentary oversight. That is a disgrace.

But politics is funny—it is an interesting profession. There are those who know the Labor Party well and know how they operate. Mr Latham, a former Labor leader, wrote today in the *Australian Financial Review* that Mr Rudd and Mr Swan:

... have jumped all over the financial crisis, not with a clear economic strategy in mind but with an urgent sense of the political opportunity it presents.

The stimulus package is about politics much more than it is about economics. Mr Latham knows that, the opposition knows that and Mr Rudd knows that, and that is a disgrace.

The problem—and my colleagues have touched on this eloquently throughout the day—is this: we now have a government that does not believe in anything. One of my favourite topics—and I will get onto this later—is that embarrassing essay from Mr Rudd. The problem is this: the Labor Party now no longer has any coherent ideology or framework.

**Senator Boyce**—They have Ruddbank.

**Senator MASON**—Yes, they have Ruddbank. They used to believe in socialism. That failed universally—it has been dropped. Then they developed the Third Way. Remember the Third Way? Mr Blair developed it—and Mr Hawke and Mr Keating. Mr Rudd has just dumped it. And what does he propose to replace it with? Nothing at all. I have read the essay twice. It is pathetic in its sparseness. It is funny when I think of it; the Labor Party used to be a grand party of ideas. I always opposed them. When the Maoists used to run around at university I opposed them. Now of course all they believe in is opportunism and ‘me-too-ism’. So in my lifetime they have gone from Maoism to ‘me-too-ism’. And what a pathetic downhill ride it has been.

I think it was Dostoyevsky who said that the problem is that someone who believes in nothing in the end will do anything. That is the problem with the stimulus package. It is all about politics and has very little to do with economics.

My colleagues have all said eloquently that the cardinal rule of stimulus packages is this: make sure they are properly targeted and that you get bang for your buck. It is all about bang for your buck with stimulus
packages. Unfortunately, this $42 billion extravaganza fails that test.

One of the centrepieces of the package is the handouts to many Australians. Sure, it is attractive superficially—we all accept that. Many people will think it is terrific. But will it actually make a difference on the ground? Every poll I have seen published says this: most of that money will be used to pay off mortgages and credit cards—to retire debt—and the other part of it will be used for savings and will not be used to spend and to stimulate the economy. That is the problem. Again, there is no bang for your buck. In short, this is a package directed towards social infrastructure rather than economic infrastructure, and that nub is the nub of the failure of this package.

I accept that building libraries and sports halls might be laudable. Even if you put aside the fact, as my friend Senator Nash said, that that is of course a state responsibility—but I am a generous man so let us put that aside—what sort of bang do you get for your buck and what return do you get from the stimulus package? The same could be asked of community housing, ceiling insulation or indeed all of the financial handouts to taxpayers: what sort of bang do you get for your buck? What return do you get on the money you spend?

It is estimated that parts of President Obama’s proposed stimulus package in the United States will generate a multiplier as high as about 1.7 to one—that is, every dollar that the US congress votes to spend will generate about $1.70 in the next 12 months. As my colleagues have said, eloquently, that is because the money is being spent on physical infrastructure projects like highways, railways and bridges, which generate jobs during construction and then produce benefits to the economy through reduced transportation costs. In other words, when the orgy is over something still remains. When the orgy is over, there is something for the morning after.

There were a couple of good articles today in the Australian Financial Review. Michael Knox, an analyst from ABN AMRO Morgans, analysed Kevin Rudd’s package. ‘What sort of return,’ he asked, ‘will this country get?’ What return will Australia get from Mr Rudd’s stimulus package? Michael Knox said:

The economic impact of the plan is that GDP growth is expected to be around half a per cent higher than in 2008-09 and about 0.75 to 1 per cent higher in 2009-10. In 2008-09 we are spending 1.7 per cent of GDP in stimulus to get an increase in GDP of 0.5 per cent. This means we are spending $1 in stimulus to get only 30c in GDP. This is a multiplier of just 0.3—very low by international comparison.

He concluded by saying:

By emphasising social over economic infrastructure, the bang for the buck is so soft it might better be described as a dull thud.

So even within the terms of the government’s own reference this is a very poor package—no bang for the buck.

What about the other objectives? My friend Senator Boyce has raised the issue of jobs. Clearly, the opposition is all about jobs, jobs, jobs. Mr Turnbull has spoken about it relentlessly over the last few days.

Senator Boyce—And eloquently.

Senator MASON—And eloquently! After the debacle of last year’s $10 billion package, where it would seem very few of the promised 75,000 jobs have materialised, the government is now rather more modestly promising that the $42 billion will ‘support’ up to 90,000 jobs. We do not know what ‘support’ means. I am like Senator Boyce; I do not know what ‘support’ means, but presumably it does not mean to create or to maintain.
I go to a quick bit of arithmetic, Mr Acting Deputy President Hutchins, and I am not good at this so you may have to help me. That is 90,000 jobs at the cost of $42 billion, which comes out at $400,000 per job. And those are not new jobs; those are the supported jobs. At $400,000 a job, what a wonderful package! As Mr Costello said in the House yesterday about the government’s new policy to borrow and to splurge, we are reversing 10 years of hard work and we are doing it to support 90,000 jobs at more than $400,000 per job. What a fiasco! That is the Labor arithmetic, and it is not very pretty.

Rather than trying to remake capitalism, which Mr Rudd has tried to do with his sad little essay, he should perhaps do something to ameliorate the pain that ordinary Australians are feeling. I thought it was the job of governments in recessions to help those in pain, rather than to try to remake the economic system, which is Mr Rudd’s preoccupation.

Who are the principal people who should be benefiting from Mr Rudd’s concerns? The unemployed. They are the people at the bottom of the social heap. And what is Mr Rudd doing for the unemployed in this package? This is from a party that supposedly believes in social justice! The government is doing absolutely nothing for the unemployed. Do you know what? Within the next year there are going to be a lot more people who are unemployed. So perhaps the new social democracy that Mr Rudd talks about in this frightful little essay has nothing to do with social justice. The new social democracy is not about social justice at all. There is no concern for the unemployed at all. It is increasingly obscene.

Tim Colebatch wrote in today’s Age:

Those who need it are the poor people who bear the cost of the recession on behalf of the rest of us: workers who lose their jobs, apprentices laid off, youngsters who can’t even get into the labour market, and businesses and self-employed people who go broke. There is nothing in this package for them.

So much for new Labor! So much for a party trying to rediscover a new direction! So much for a sad, new social democrat who does not believe in social justice!

The worst thing, however—and my colleagues have spoken about this forcefully and with passion—is the tremendous cost to the economy for future generations. It is about sizing up debt for years and years to come, for our children and potentially our grandchildren. Others have spoken at length today about the government’s reckless policies that in just over a year have managed to turn a $22 billion surplus into a $20 billion budget deficit and have sent Australia back on the road to government debt. That is the problem. What is worse, judging by the legislation introduced by the government, is that we can expect it to get even worse.

What has the government done? It has given itself plenty of wriggle room. It is going to allow itself to borrow up to—

Senator Fierravanti-Wells—$200 billion.

Senator Fisher—$200 billion.

Senator MASON—‘$200 billion,’ is the chorus from the opposition. What worries me—what worries the opposition—is this: when we came into government in 1996 the budget deficit was about half that; it was about $96 billion. It took us about a decade to pay that off. I hate to think how long it will take to pay off if it is $200 billion. It could take an entire generation to pay off a debt like that. It would become in a sense systemic—as it has become in the United States and in western Europe. In fact, 10 per cent of the budget could be paying for budget deficits of previous years. Government debt can so overburden budgets that
governments are crippled. And who pays the debt? Taxpayers in future generations. The worst thing that could happen to this country, sir, is this: like the United States and like western Europe we get used to living with—

Senator Brandis—Structural.

Senator MASON—structural debt that gets written into the budget each year and cripples us. That is the long-term problem.

You will recall that Mr Costello years ago commissioned the Intergenerational report. You will recall his concern about intergenerational equity. This is another matter of social justice, I might add. The opposition is raising another matter of social justice. Who will bear the burden of today’s splurge? The point of intergenerational equity is, as Mr Costello pointed out, this: the changing demography of Australia means that with an ageing population there will be fewer taxpayers over the next generation to foot the bill. That is the problem. So the systemic, structural debt that Senator Brandis mentioned in his excellent address today is not just some sort of myth; it is highly likely. That is what petrifies the opposition.

Senator Brandis—And no Labor government will even start paying off.

Senator MASON—That is right. In the end, as always, it will be the coalition that has to pay the debt off. Some might think that I have a boring life. Perhaps I do. But I read with morbid curiosity Mr Rudd’s essay, ‘The global financial crisis’. To those people in the gallery: I suggest that you do not bother.

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—Senator Mason, I suggest that you direct your remarks through the chair.

Senator MASON—Thank you. I suggest to you, Mr Acting Deputy President Forshaw, that you do not read it either. Let me point out the salient parts. Right towards the end of this embarrassing essay, Mr Rudd quotes President Sarkozy of France, who said, ‘Laissez faire, c’est fini.’ It is the end of laissez faire and the end of liberalism. For a start, as my colleagues know, France never adopted free market economics. That is why they have had 10 per cent unemployment for the last 20 years. Even worse, the irony is perhaps lost on Mr Rudd of something that I read in Monday’s edition of the International Herald Tribune. It was:

Prime Minister François Fillon on Monday rejected demands that the French government seek to stimulate consumer spending, rather than follow his plan to stimulate corporate and infrastructure investment, to lift France out of its economic slump.

He rejected demands; France rejected it. The article went on:

“It would be irresponsible to chose another policy, which would increase our country’s indebtedness without having more infrastructure and increased competitiveness in the end,” Fillon said in a speech in Lyon.

If the French can get it right, why can’t this government? Even Mr Rudd’s continental idols do not agree with him. Even the French are spending their money on roads, buildings, ports and railways and renovating infrastructure.

I suppose it comes down to this in the end with that embarrassing little essay: there are three policy prescriptions in this essay. They are: spend, spend and spend. There are no other ideas in it at all. And that is the problem with the Labor Party today, you see: they actually do not believe in anything except opportunism. That is at the heart of the problem in the debate in this parliament and the problem with Mr Rudd. Dostoyevsky was right: if you believe in nothing, you will do anything to survive politically, even if you have to mortgage the country in so doing and

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even if you have to mortgage future generations. That will be on Mr Rudd’s head and on the head of this government. *(Time expired)*

**Senator HUMPHRIES** (Australian Capital Territory) (5.57 pm)—I do so hate to follow Senator Mason in these debates. I regret to note in rising to speak that I am the eighth, ninth or 10th coalition speaker in a row to address the Senate on what we are told is one of the most important packages of legislation this country has seen in decades. I suppose the other side have decided—decisively!—to hang out somewhere else and sip coffee or do something else rather than take part in this important debate. What a pity.

What Australia needs most at the moment is experience. Experience affords you insight. It gives you the chance to make points of difference and it allows you to demonstrate calm in the face of pressure and temperance in the face of potential disaster. The Labor government has very little experience and this package of bills demonstrates that very amply. What sort of experience do I mean when I say that? I mean the experience of taking Australia from a deficit of $100 billion to a surplus of $22 billion; the experience of lowering interest rates over 10 years from 12.75 per cent to 7.15 per cent; the experience of lowering unemployment; the experience of creating new jobs; the experience of increasing growth while lowering inflation; the experience of increasing funding affordably and sustainably for schools, universities and public institutions.

This government does not have that experience, and that is a great pity in the present environment. The coalition does, and its experience—which led, of course, to the upgrading of our national credit rating to AAA—is the kind of experience that, frankly, this country needs right now. We balanced market freedom with an appropriate level of market regulation. The Deputy Prime Minister presumably understood that when she told the World Economic Forum at Davos a few days ago that ‘Australia has the best inflation regulation system in the world’. That system was created by, and was successful under, the coalition government.

We now find ourselves on the cusp of perhaps the most important decision this nation will have to take in this decade to ensure the survival of our precious way of life, and in this dire hour the Labor government do not have the wisdom to consult with those more experienced. This Labor government does not have the experience to ensure the package they propose will lead to the best possible outcome for this country. The Labor government do not show the respect for parliamentary institutions that would allow adequate time to review their bills properly. This government is not acting in the best interests of Australians. This government’s lack of experience is excusable. Its immaturity, its panicked response to this crisis, its political gamesmanship and its complete disregard for the proper processes are not. The Labor government’s arrogance is certainly not excusable.

A panicked response is not a plan. A stimulus package cannot simply be labelled that because it says it is going to do that. Not all expenditure, obviously, is good expenditure in this sense. Not all expenditure stimulates the economy. This Labor government is promising most Australians $950 per person as its way of stimulating the economy. The Labor government are not, however, telling Australians that they are asking us to give them the capacity to put us all in debt to the tune of $9,500 per person.

Earlier today the Premier of South Australia drew an analogy between Australia’s present circumstances and fighting a war. When you fight a war you need to have all shoulders to the wheel—everybody needs to be
behind a war effort. It is not a bad analogy, but there are some differences between the situation we find ourselves in now and fighting a war. Firstly, when governments start to fight a war they generally bring in the other parties in a parliamentary system to support them. In fact, some countries embark on governments of national unity to make sure that they bring all represented interests around the table. There has been no attempt at that in this situation. In a war you also do not begin the battle by firing off the one big gun and dropping the one big bomb that you have, knowing that there is not much left in your armory once you have done that.

The Leader of the Opposition in this crisis has put forward alternatives to those which the Labor government has proposed in its stimulus package. We have not simply criticised what the government has on offer; we have proposed alternatives. We proposed that the tax cuts that were scheduled to be rolled out on 1 July this year and next year be brought forward and backdated to 1 January this year. By the middle of 2010, this would have left a two-income household earning about $80,000 something like $1,700 better off. That is money that, because it is coming in on a regular basis, people are more likely to spend to stimulate the economy than is the case with one-off payments. Perhaps the largest gap in the government’s package is the lack of measures that directly and broadly support employment, particularly employment in the small business sector.

The alternatives are as numerous as they are self-evident, were the Labor Party to take a moment to breathe and think rather than what they have called—rather ironically—acting decisively. Acting decisively equates to providing solutions, developing options and making substantial, measured, effective contributions to an extraordinarily important issue. My colleagues have listed a number of possible alternatives today. In doing so, we have shown our willingness and preparedness to discuss other ways of tackling this very important issue.

While, for example, the accelerated depreciation concept has some merit, the coalition believe measures that more directly and immediately improve the cash-flow position of small firms and help them protect jobs are preferable. We have proposed to discuss with the government, if it is willing to do that, the Commonwealth paying a portion of the superannuation guarantee levy on behalf of small employers—those with 20 or fewer staff—for the next two years. That is the sort of measure that would directly allow small employers to make positive decisions to retain staff. I do not see anything in this package that would have a similar effect. I do not see measures that are likely to make an employer say, ‘I’ll make the decision to keep that person on my payroll.’

It is perhaps not surprising that a lot of employers are listening less to what the Prime Minister says and looking more at what the Prime Minister does. The Prime Minister urges Australian businesses not to let their employees go and yet, once the cameras are off him, talks about taking a meataxe to the Public Service and shedding jobs in large numbers—the sorts of jobs I would have thought right now Australians need behind the helmsmen to make sure we have made the right decisions in the face of a serious economic crisis. Jobs are the big question facing us all behind this package. We are doing ours to ensure that Australians can keep theirs.

Are the Australian Labor Party doing their job with respect to this legislation? Are they doing that by rushing these bills through with inadequate scrutiny? Are they doing it by promising cash handouts to the Australian public without properly spelling out the cost of those handouts? Would it not be responsi-
ble of the government to detail a program for the repayment of that debt—a description of how heavy that debt might be and what strategies the government might be developing to address it? With respect, it was not addressed the last time Labor were in government. The debt was still there when they left office in 1996. This is not a pain-free decision. There are costs and consequences, but we see nothing of that in what the Labor Party have told the public as they describe in gleeful tones the handouts, the cash splash, which they are engineering.

Appealing to voters through promises of boom gates and school buildings and completely ignoring the fact that there is no plan for those very buildings when schools can no longer afford to pay teachers—is that being responsible? Is it responsible of the government to say that parents should gratefully accept these new assets without explaining to them how schools can sustainably continue to grow to meet the needs of their communities? I think that this package is a decision which has not been thought through, is not wise and does not deserve the support of the parliament. In the absence of a demonstration of the government’s comprehensive, careful, meticulous planning of what it needs to do and of how Australia will recover from the position it is being placed in with respect to debt, the government needs to persuade the parliament that it has done its homework, that it has prepared the ground for this momentous decision. That would give us the satisfaction of knowing that the colossal amount of money that the government proposes to spend is money that we can afford to spend and that we need to spend in order to find ourselves in a better place in the future.

I am very shocked at how quickly the government has geared up into PR mode on this package and ignored the harder, more mundane task of planning, explaining and setting out the fiscal basis on which this decision has been made. In particular, I am shocked by the way in which this government is prepared to bypass parliamentary process. What pride this government must have to ignore the lack of success of its most recent stimulus package and propose an even bigger one! The government was apparently unsuccessful with its a $10 billion package last year and now suggests that what we need is a bigger package, but it does not explain why or how this will succeed when the last one failed.

Previous speakers, including Senator Mason, have drawn attention to the lack of logic in the way in which this package is meant to create or support jobs. I would have thought that a package which is worth $10 billion and creates 75,000 jobs must mean that if you spend $42 billion you will create 300,000 jobs. Is that not logical, or has the cost of jobs risen so much in recent months or weeks that we can no longer make that kind of claim? If so, will the government have the decency to tell us that the promise of 75,000 jobs was a false promise, that there were no 75,000 jobs? In his article in Money magazine just yesterday, Mark Westfield, a director of CT Financial, said:

The last stimulus package in which $10.4 billion was given to sensitive voter groups before Christmas barely touched the sides and achieved nothing beyond a very temporary shot in the arm for retailers and pub and club poker machine owners.

Do we have the evidence before us to convince us that we are more likely to be successful with this package than with the last one? I do not think we do.

I would have thought that most Australians would instinctively welcome handouts of this kind. I have no doubt that those organisations who have spoken out in favour of this package—and a large number of them have been referred to already in the course of
today’s debate in this chamber—would naturally welcome the spending of money on them or their constituent catchment groups. But I am surprised, in the midst of all that carpetbagging and pork-barrelling, that there are a large number of voices expressing concern. One constituent wrote to me today and told me about the reactions of local businesspeople in Canberra to the announcement of the stimulus package. He quoted a few things that they had to say, such as: ‘This will be great for stimulating poker machines.’ ‘Roof insulation—is that a joke?’ ‘This looks like panic, and that panic will spread.’ ‘They have no idea whether this will work.’ ‘We will be paying this off for years.’ That last comment was the kind of comment that any businessman would make when looking at the size of the debt being incurred by this measure.

I am particularly reminded that the Labor Party, while pushing this legislation through in a short time frame, was very opposed to the way in which the previous government handled sensitive legislation. The Labor Party was scathingly critical of the Liberal government for, for example, passing the Work Choices legislation in two weeks. I remember Senator Lundy expressing her shock on ABC Radio at that kind of ‘poor use of parliamentary processes’. I wonder what she thinks about a party which has now attempted to push through by far the biggest single package other than a budget in the space of just 48 hours. It does not say much for the consistency of the Australian Labor Party.

How astonishingly selfish, how incredibly short-sighted, how immensely patronising to think that the Australian public would not see through this self-serving sham of a stimulus package. The Prime Minister, the Treasurer and indeed the entire Labor Party are behaving as though they deserve a Tim Tam for working so hard to come up with a package to jump-start the economy. I have told my children on occasions that you do not automatically get a Tim Tam because you have started the job; you get one when the job is done. And the fact is that this job is far from done. This job is a very big job that may take months or years to resolve. The Australian Labor Party puts forward its package at enormous cost to the Australian taxpayer in the expectation that this is the job done, and we have to assume that because it has left so little in reserve for the next stage, if that is required. Perhaps when the arrogance abates, the pride subsides and the Labor Party decides to have a mature, reasoned, real discussion and debate with other concerned Australians about the best way forward for Australia and its economy, then there will be a true reason to be proud. Our chores are not done, and now is not the time to break out the Tim Tams.

I hope that this government realises that Australians will see through this, that they will want convincing that this is right. The test of that will not be now or in the next few weeks or even in the next few months. It will be in a year’s time, when we look back and ask ourselves: is Australia substantially better off for having spent $42 billion of our children’s future? And if we cannot say that then that is when Australians will pass judgment on this government and its package.

Senator BUSHBY (Tasmania) (6.16 pm)—I rise to speak on this package of bills that is before us today to fund a $42 billion stimulus package because I believe it is my duty, not only as an Australian and a member of the Senate but also as a father, to vehemently oppose this economic threat to the next generation, our children, and to their children. I have an email that I believe another colleague of mine may already have read out today, but I would like to read it out again because I think it states things very well. It is an email I received earlier today
from an extremely concerned constituent. She says:

I do not make it a habit to write to elected members of parliament, but in this case I feel compelled to.

The federal government has recently forwarded a bill that it has labelled as a ‘stimulus plan’ for the country. It is nothing more than an insane political stunt that threatens the very welfare and prosperity of all Australians for generations to come.

Borrowing money to give cash handouts is in no way going to turn the Australian economy around. For every $1000 given out it is likely that the government will need to raise $2000 or more in taxes to pay for the handout. This taxation will deter future job growth. Many of their other spending initiatives will not create genuine wealth either, as they do not focus on greater productivity; productivity is the heart of employment. There is no long-term value in this radically irresponsible proposal.

I urge you as a fellow decent Australian to reject the government’s ‘stimulus plan’. Please do not try and second-guess what may be popular—this plan is utter madness. If this proposal is passed by the senate we are on the path towards complete destruction of future economic prosperity for generations to come.

The Australian people, as demonstrated by that email and many more that all senators on this side of the house have received, are genuinely concerned about this government’s reckless and risky plan, a plan with absolutely no guarantee of success. And so they should be.

At the last federal election just 16 months ago, Australians faced a choice between two political parties. The first was clearly acknowledged by all as having delivered strong economic management and guiding the nation through many challenging times. Back then, the future looked rosy for all Australians. The 11.5 years of hard work by that first party, the coalition, had eliminated the $96 billion debt accumulated through a series of ‘temporary deficits’ under the Hawke and Keating governments. We were consistently running surplus deficits. Our strongly growing economy was naturally increasing tax revenue to such an extent that we were able to put away billions of dollars for future needs, such as in the Future Fund and in the Communications Fund, which has now been disgracefully raided, and to provide billions of dollars in tax cuts to Australians. On that point, I would like to note that I have some concerns about where the government are going with the Future Fund. If they are going to find $42 billion to fund this, going $200 billion into debt, how long is it going to be before they get in and raid that trust fund as well? It is disgraceful.

As I said, 16 months ago we had a strongly growing economy which led to record low unemployment. Things were good. So much so that the current government were also keen to associate themselves with the economic approach of the then government—to ensure that voters felt comfortable about abandoning the coalition and coming to them, because economically Labor would approach things just the same as the coalition had. But here we are in February 2009 facing a vastly different scenario which exposes the misleading nature of what they were trying to present at the election.

It is incredible that we are standing here today looking at going back into debt—and not just in a small way. We are looking at going massively back into debt. As part of this package of bills, we have a request before us today to permit the government to expand the limit on its credit card from $75 billion—to lift it by an amazingly large amount, an additional $125 billion—to $200 billion. That is just astounding. As any Australian knows, once you get into the debt interest trap of a large loan it is very hard to pay it off and the debt load spirals.
So what is the government proposing in this package, given that it is going to impose such a large debt burden on future generations? Is it a package that addresses the single biggest potential threat to Australians from the effect of the global financial crisis, which is of course the loss of jobs? Does it contain measures to directly address the cost of employing people? Well, no, there is nothing in here that directly addresses the cost of employing people. Where is the money for new hospitals and improving the health system? It is not there. Where is the money to help those who have been most affected by the crisis—the self-funded retirees who have seen the impact on their share portfolios, on the money that they have squirrelled away over many years as they have looked after themselves and never asked anything of the taxpayers of Australia? There is nothing in there to help them. I have looked closely through this package and in all of these areas there is nothing. There is nothing for aged care. We saw in Tasmania recently that less than half the available beds offered in the latest aged-care approvals round were actually taken up because aged-care providers do not have the money to build the facilities to put the beds into. So where is the money for infrastructure to ensure that those most vulnerable Australians, the aged and the frail, actually have appropriate care in their older years? There is nothing in there.

I have heard a number of government senators in this place talk about how this package will help Australians deal with the impact of the global financial crisis. Quite clearly they are not going to be addressing those areas I have mentioned, but there is no doubt that all Australians who under this package are about to receive a cash handout will welcome it. Who would not welcome a cheque in the mail for $950 or multiple cheques for $950? What I have not heard is what the impact on most of those Australians will be. How has the global crisis that we currently face in the economic world impacted on many of these Australians who are looking at getting a cheque in the mail? If you still have a job or if you receive a government support payment of some type, I would suggest that there has been very little impact on you at this point. This is not to say that people with secure incomes are not struggling—there are many out there who are—but the struggle that they face is not a consequence of the financial crisis if they have a secure income. On the contrary, most Australians with a stable income are better off at the moment as a result of falling interest rates and petrol prices.

There is a well-accepted economic proposition that deficit finance should only be used to fund long-term infrastructure that will provide direct benefits to those who will be paying for it through taxes to cover interest and principal repayments. Despite the rhetoric and spin of the government, there is nothing in this package that provides such long-term benefits. What benefits will my children and their children receive for the taxes that they will be paying for many years, if not decades, to cover this massive exercise in political pork-barrelling? I contend that there are no benefits for them.

This package contains nothing to build future productive capacity; it is all one-off spending. Sure, it will temporarily boost economic activity figures, as we see in the retail figures that the government is so proudly touting, showing that there was a spike in retail activity last December. It is not surprising as there was $10.4 billion put out into the economy. The spike does not go anywhere near being a $10.4 billion spike; it is probably about one-quarter of that. It is not surprising, of course. If you put the money out there, it will increase the economic figures. It will show that there is a spike. But what will happen afterwards? What is the
long-term benefit? Where is the long-term advantage in that spend? All it has done is cause a one-off increase in economic activity.

The package contains nothing to build future productive capacity. It will not jump-start any ongoing or lasting future economic activity. Rather, it places the burden of interest and principal payments on our children and grandchildren in order to fund one-off cash splashes. I contend that this is both irresponsible and inequitable.

Even worse, and as mentioned, this package is seeking authorisation to increase borrowings by an additional $125 billion from their current authorisation of $75 billion up to $200 billion. As I noted yesterday, Australians will best understand this as Mr Rudd asking whether he can extend the limit on his credit card from $75 billion to $200 billion. But, unlike the rest of us, he is not the person who will have to pay back the debt. That is right, there is no obligation on Mr Rudd to pay back the debt. He goes out and racks up $200 billion on his credit card and he does not have to worry because he never has to pay it back. On the contrary, it is a debt that he is incurring that will have to be paid back by taxpayers, particularly future taxpayers; our children and our grandchildren.

It is important to note as well that we are talking about up to $200 billion of debt. That works out at about $9,500 of debt for every man, woman and child in this country. I would think that any thinking Australian faced with the chance to get $950 upfront in return for a debt of $9,500 plus interest would reject the offer. But the Prime Minister does not have to concern himself with who will bear the heavy obligation of this debt. He does not have to plan or state how he intends to pay it back. He does not have to worry about that as it will not be him who retires the debt he wants to create today.

Then there is the interest on all this debt. The Prime Minister has not told the Australian people what services he will have to cut back on to pay the interest on the credit card which, if he takes it to its new limit, will be about $20 billion in interest per annum. What healthcare, education or defence spending programs will he cut so that he can pay the interest of up to $20 billion a year? All you can conclude from a package like this is that the Prime Minister is concerned with delaying the pain of this economic crisis, delaying it for just long enough for the full impact of the crisis to be masked, to be hidden from voters, so that he and Labor can be elected again. But of course in doing so he is condemning current and future taxpayers to far greater pain, condemning our young people and future governments to the challenge of finding $200 billion plus interest to put us back in the black. As mentioned, even if Mr Rudd remains Prime Minister for a number of terms, there is almost no chance he will have to make the hard decisions required to pay off the credit card.

This ill-considered and irresponsible spend of $42 billion is the latest installment in what can only be termed a comedy of economic errors. It would be a comedy if it was not such a serious economic policy blunder—a blunder with ramifications that not only will leave future generations saddled with unprecedented levels of debt but will inevitably result in higher taxes in the medium and long term. Even the Prime Minister, the grand architect of this economic vandalism, this gross fiscal irresponsibility, this blatant abuse and misuse of taxpayers' money, has clearly spelled out to us that it might not even work. What is becoming increasingly apparent is that this is a government in panic mode, this is a government that is making up policy on the run and this is a government that is completely lost at sea.
when it comes to the responsible economic management of this nation.

It is interesting to note the commentary in today’s media by former Labor leader Mark Latham on this government’s spending habits, using such terms as ‘profligacy’ and ‘fiscal carnage’. This is the same Mark Latham that many in the Labor Party abandoned after the 2004 election because he was too radical, yet here is the too-radical Mark Latham telling us that this government is leading the Australian economy into economic oblivion. I am sure it will not be too long before Australians will wish that Mark Latham was still the leader of the Labor Party because, incredibly, he would have been a more responsible economic manager than Kevin Rudd.

Even more worrying is that the illustrious overseer of the recession we had to have, former Labor Prime Minister Paul Keating, has come out from under his rock to congratulate Kevin Rudd on his plan to plunge Australia into debt of epic proportions. It is a $200 billion millstone around the necks of the Australian people, whose interests we are bound, by solemn oath, to faithfully represent in this chamber. That is from Paul Keating, the last Prime Minister to send us into the debt shackles, the last Prime Minister to deliver more than one million unemployed and a man with totally disproven economic credentials. It took 10 years for the coalition to fix the economy after his time in office. Australians should be shivering in their boots at the thought of this government taking advice from and accepting the plaudits of Paul Keating. The only more worrying event would be the same from the man who oversaw the dismantling of our economy in the 1970s, Gough Whitlam. It took 20 years for the economy to recover after his efforts.

Here we are staring down the face of a $200 billion debt, a full $9,500 debt for every single Australian. This is what the Prime Minister has arrogantly asked the opposition to obediently agree to, without question and without scrutiny. But this we will not do. It is time to make a stand for ordinary Australians, to draw a line in the sand and to say no to the man whose spending plans for this country utterly dwarf those of the previous government that he accused of spending like a drunken sailor when he was in opposition.

The government continually repeats the phrase that they are taking swift and decisive action. It obviously tests well in focus groups. I will tell you that there is a very important element missing in that phrase, and that is that the action must be the right action. It must be correct and it must be appropriate for addressing the challenges. It is not enough to simply say, ‘We are taking swift and decisive action,’ if it is the wrong action.

In circumstances such as we face, where we are staring down the barrel of a sustained period of economic difficulty, it is incumbent on us making decisions in this place to ensure that we make the right decisions. We have to look at these issues in detail and ensure a proper, full and considered decision. If this takes time, then it has to take that time; otherwise, the consequences of the crisis will be much worse for all Australians.

It has been suggested that, because of the severity of the crisis, we on this side in this place should sit down and get out of the way. It is said that this is not the time for us to delay and obfuscate necessary measures for fixing the economy. On the contrary, I very strongly believe. Given the severity of the potential consequences of failure, it is precisely in circumstances such as these that the opposition has its strongest duty to ensure that measures such as this package are fully and properly scrutinised and rejected if they
do not measure up. The consequences are too
great to get it wrong in this place. And I con-
tend that clearly this is not the package that
this nation needs today.

With breathtaking hypocrisy and not a
small amount of self-indulgent, ideological
navel-gazing this Prime Minister and his
government have, with the greatest of ease,
performed one of the most spectacular U-
turns in Australian political history. The term
‘U-turn’ has most famously been applied to
Ted Heath, British Prime Minister during the
early seventies, who, in a similar fit of mind
to the one we are seeing here in Australia
today, abandoned the Conservative Party’s
core principles of economic liberalism to
disastrous effect in the UK.

But back to the comedy of errors. Back in
2007, as the signs began to appear, warnings
of an impending crisis were given, most no-
tably by the then Treasurer, Peter Costello. I
think he even warned, while still in govern-
ment and still Treasurer, of the impending
economic tsunami that Australia was facing
as a result of the global financial situation.
But rather than heed the warnings so pru-
dently given by those of us who actually un-
derstand economic matters—those on this
side of this place—the Prime Minister and
the Treasurer instead chose to engage in an
ill-advised strategy of talking the economy
down, characterised by their widely cited
references to a fairytale menagerie of infla-
tion creatures.

This led to an enormous amount of pres-
sure on the Reserve Bank of Australia, the
RBA, to increase interest rates, which was a
disastrous outcome for an economy about to
experience its biggest downturn since early
last century. Despite central banks in compa-
rable nations around the globe reducing in-
terest rates during that period in an effort to
stave off the crisis, the penny just did not
drop for our esteemed Labor friends. In 2008
business and consumer confidence fell away
in Australia, and the Australian Chamber of
Commerce and Industry business confidence
survey showed the lowest level ever of busi-
ness confidence in the 14-year history of the
survey. Still the Labor government continued
to talk down the economy.

I also find it very interesting to note that,
around the time of releasing the first eco-

      \textit{economic stimulus package late last year, the}

Treasurer started talking about how he had
been planning it with the Secretary of Treas-
ury since February of last year. If he was
aware of the need to stimulate the economy
in February of last year, why did he persist in
talking down the economy for another seven
months with interest rate rises and other
negative consequences for Australians? The
only conclusion that I can draw is that the
government saw a political need to attack the
reality and strength of the coalition’s eco-

      \textit{nomic credentials and saw talking up infla-

tion as the only option they had, as mislead-

      \textit{ing as it was. If we were in the US such a

scenario would lead to the commencement of
an impeachment process.}

Having failed to act appropriately or in the
interests of the Australian people during the
initial stages of the effects of the global fi-
nancial crisis on this country, the govern-
ment—by this stage in a state of panic—
decided to devise and implement some of the
most disastrous economic policies we have
seen in many, many years, which brings me
to the bungled bank guarantee. Yes, the bun-
gled bank guarantee that resulted in the
freezing of the investment savings of a quar-
ter of a million Australians. Where in the
package is something to help them? A quar-
ter of a million Australians were then advised
by Treasurer Wayne Swan to ‘go to Centre-
link’. This was truly bad policy. It was an
initially uncapped—and I stress ‘uncap-
red’—bank guarantee for all deposits in
certain Australian banks and financial institu-
tions, but not all financial institutions, and for wholesale term funding. Not surprisingly, financial markets are still suffering from the disarticulation caused by that policy. *(Time expired)*

**Senator McGauran** (Victoria) (6.36 pm)—I join my colleagues in this momentous debate. It is one of the most important, significant, momentous pieces of legislation to go through the parliament in my time. I was party to many such reforms when we were in government. They were tough reforms and we undertook them. The GST comes to mind, which was a very big one. Previous to that, during the Hawke-Keating government, a debate that took up a great deal of emotion and time in this chamber was the native title debate. I could run through a whole list of momentous occasions where both sides of the parliament made exchanges in the debate, as is their responsibility and as is their duty to their public office.

I say to those listening to the broadcast, we have a very bizarre situation here in the parliament. We have a government whose Prime Minister recently—and on more than one occasion, I should add—has gone on television, looking all so ashen-faced, to alert the Australian public to the crisis that befalls the nation. He has done it twice. He did it for the $10.2 billion package and he did it for the $42 billion package. He has elevated this issue to priority 1, which, by the way, it is—of course it is—and that is why we are in the chamber.

**Opposition senator interjecting**—

**Senator McGauran**—Mr Acting Deputy President Forshaw, you can see where I am heading with this. The point I am making is—you are asleep, are you?

**The Acting Deputy President**—Order, Senator McGauran! I ask you to withdraw that. I made no comment about your remarks. I ask you to withdraw that. I find it most insulting. I am sitting here listening to your speech. I ask you to withdraw your comment and apologise.

**Senator McGauran**—I withdraw my comment to you.

**The Acting Deputy President**—Thank you. You should withdraw, particularly given that we are being broadcast.

**Senator McGauran**—Indeed.

**The Acting Deputy President**—And you might ask your colleagues to refrain from interjecting on you.

**Senator McGauran**—I do not have the courage to do that.

**The Acting Deputy President**—I will call them to order otherwise. Carry on.

**Senator McGauran**—I do withdraw with all sincerity. Such is the emotion of the issue and, as you rightly point out, we are being broadcast. That is the point I want to make: we are being broadcast on an issue that the Prime Minister, the government and the world are deeply involved in, yet look at the speakers list. Not one government member has come in to speak on this bill. Are they out there being clever? I would say they are out there—most of them have flown home. I would guarantee it. We ought to call a quorum on this just to see if anyone stayed behind. The point is this: they may think that they are being clever by not speaking on this issue—and this is what they will tell their electorates—’so that we could get it through the parliament’. Parliaments are not for that, and this issue most of all is not for that. This issue is for debate. They ought to get up and justify it, not just to us in this parliament, which is their responsibility; they ought to get up, justify it and debate it with us whilst we are being broadcast and on the internet. Not one government member is on the
speakers list. As a Victorian senator I find it doubly offensive that the Victorian government senators have not come into the parliament and debated this momentous issue, and it is a momentous issue.

Where is Senator Conroy, representing the Treasurer, who should be leading this debate? Where is Senator Conroy? He has gone home. I would guarantee that Senator Conroy has gone home. Where is the other Victorian senator, Senator Marshall? Senator Marshall is never short of a word, but today he is quiet—nothing.

Senator Birmingham—Gag order.

Senator McGauran—The gag is on him. What courage do they have against the whip or the leader? It would be coming from the Prime Minister’s office, because everything comes from the Prime Minister’s office on that side, even such disgraceful instructions. It is an offence to their oath as part of their public life. Where is Senator Marshall, who is never short of a word? He is one of the great filibusters in this parliament. He has gone home and refuses to debate one of the most important issues to ever go through this parliament, one that is going to affect generations, as my colleagues before me have said—and how true is that? You do not ratchet up $200 billion and not affect several generations, quite frankly. The previous speaker, Senator Bushby, mentioned the Whitlam government. It took generations to flush all the errors of the Whitlam government out of the system. Quite frankly, it was not until the Howard-Costello government that all those errors of debt and deficit were flushed through the system. It took generations, and here we are faced with the same economic madness and approach, as we see it, as the Whitlam government. It is worse, frankly, and I will speak about that later.

Whatever our argument is, whatever we believe is right—and we do—where are you to tell us your case in this parliament? It is not just us—although you are responsible to the whole parliament—but those following the proceedings via the broadcast or the internet, and those back in your electorates, who want to know, who want to see the Hansard and who want to see you present the case. I am labouring this point because I will duplicate everything else that speakers before me and to follow say about the inefficacy, the inefficiency and the sheer danger in $42 billion. I will get onto that, but I particularly want to focus on this point and the Victorian senators. Where is the Victorian Senator Collins who has been in and out of this parliament and replaced Senator Ray just recently? She is an experienced senator; she is not inexperienced. She knows how to get up in this parliament and argue her case. She has replaced the godfather of Victorian Labor politics, Senator Ray, who I should add would never kowtow to such an instruction as not to get up and speak on this issue, but Senator Collins has. Is she in the parliament? She has gone home.

Senator Stephens—She’s in a committee hearing.

The Acting Deputy President—Order, senators! You should not be having this across-the-chamber chat.

Senator McGauran—She ought to—

The Acting Deputy President (Senator Forshaw)—Excuse me, Senator McGauran, but I just want to advise you that I have listened closely to your remarks—all of your remarks, despite your earlier comment—and you are potentially reflecting improperly upon members of this chamber, particularly those who may actually be in this building attending a Senate committee hearing on this particular legislation. So I think you should address the matters before the chamber, as distinct from reflecting upon other senators.
Senator McGauran—Are you on the speakers list, Mr Acting Deputy President, at some point?

The ACTING DEPUTY PRESIDENT—Senator, I ask you to return to your remarks.

Senator McGauran—The remarks are hugely significant and I will reiterate the point: no government senator has risen to speak on this bill. That is hugely significant. Those watching or those listening ought to know that and those back in the electorates ought to know that. We have a government who are laying down the foundations of generational debt and have a facility within this bill for $200 billion of borrowings, of debt—future debt—and who would doubt they are going to spend it?

Senator Birmingham—The Prime Minister couldn’t even be bothered voting for it.

Senator McGauran—Yes, thank you, Senator Birmingham, who is to follow me. Last night the House of Representatives went to five o’clock in the morning on this bill and even then, I should add, many opposition members—Liberal and National party members of parliament—never had a chance to speak because the guillotine came down. But five o’clock is fair enough, to a degree; I am not going to dispute that there was significant debate. I should add that some of the government members did rise to speak. It was a long and tiring but hugely significant debate.

When you go to five o’clock in the morning in this place, it is for a debate of national interest. Now, this is a debate of national interest and the bells ring but where is the Prime Minister and the Deputy Prime Minister? They are nowhere to be seen. This is a Prime Minister who, ashen faced, does not mind taking up a bit of dramatic time on television to alert the nation to the crisis that we behold and to say that he is available to fix it, but he will not turn up and put his name to the legislation. You are paid to vote in this place and in the House of Representatives. You are paid to vote, but the Prime Minister and the Deputy Prime Minister did not turn up. No doubt—separately—they had gone to bed. They left it to the juniors to fix up. You cannot do that. It is an insult to the parliament and it is an insult to the constituency—an utter insult. As for the Prime Minister, as we get to know him, as the Australian public get to know him, we see that this is the man, this is the fake, this is the fraud who went to the Australian public before the election calling himself the economic conservative. We always knew it was a fraudulent statement but we see now he is railing against neoliberalism and economic conservatism. Quite frankly, it must be a great relief to the likes of Senator Cameron and Senator Carr that this facade of economic conservatism has been dropped. No-one ever believed it. The Australian public may have bought it at one stage but now the facade has fallen—and what a relief to Senator Cameron and Senator Carr! They could not get off the blocks quickly enough to condemn economic conservatism under, as they put it, the banner of neoliberalism—whatever that means. Both of them have stood up here espousing their old and dearly held socialist policies and the Labor Party policy of tax and spend.

Senator Birmingham—The comrades are back.

Senator McGauran—‘The comrades are back,’ says my colleague, and no two epitomise that more than Senator Carr and Senator Cameron. Where are they? Where are they in this debate?

The ACTING DEPUTY PRESIDENT—Senator McGauran, I ask you to refrain from making improper imputations against members of this Senate because they are not here in this chamber or in this debate at the mo-
ment. I can advise you that Senator Cameron is actually attending the hearing of the Senate Finance and Public Administration Committee—as a member of that committee—dealing with this legislation and that it is sitting through till 10 o’clock tonight. I ask you to refrain from making those improper imputations. It is disorderly and it is contrary to the standing orders.

Senator McGauran—I take it you are entering my debate; you are debating with me.

The Acting Deputy President—No, I am drawing to your attention—

Senator McGauran—No, it is most—

The Acting Deputy President—that you have—

Senator McGauran—I consider it most improper—

The Acting Deputy President—Order!

Senator McGauran—the issue that you would raise to defend two colleagues in a debate that I have raised.

The Acting Deputy President—Order! Senator McGauran, I have just called on you to refrain from making that improper imputation that was made against Senator Cameron, and I explained my reasoning for doing so. I ask you to return to the debate.

Senator McGauran—I do return to the debate and I do ask you, in your role as chair, to reflect on what I would consider an entry into my debate. I would like a ruling from the President on that matter.

The Acting Deputy President—I am happy to refer it to the President.

Senator McGauran—Thank you.

The Acting Deputy President—I will ask the President to consider all of the remarks that have been made. I ask you to continue.
Senator Colbeck—It used to.

Senator McGauran—When Labor came into government, yes. ‘It used to,’ says my colleague; that is quite right. In just over 12 months, since they came into government, the zero debt—the jewel that we left them that would have greatly helped them ride through this crisis—is gone. No other country that I can name had zero debt. It took 10 years to pay off the former Labor government’s debt, their legacy of $96 billion of debt. I note the previous speaker quoted Paul Keating recently coming out and congratulating this government on their $42 billion racking-up of debt just with this one stimulus package. Of course he did, because this is classic Labor. The Treasurer of the previous Labor government congratulates the Treasurer of the existing Labor government for ratcheting up debt. We do not believe in the reduction or the minimising of debt for the sake of it; there is a reason behind it. That reason is the interest payments. A country makes itself vulnerable to the world circumstances and financial markets and has to pay it all out in interest rates, when that money could be better spent elsewhere.

I support my colleagues’ comments in condemning this ‘significant’, ‘important’ legislation. I condemn the other side not just for introducing the bill but for their sheer cowardice in not coming in to debate and defend it and put it up to the Australian people, to the tens of thousands that listen to this broadcast—and there are tens of thousands who listen to the broadcast. Sheer cowardice, that is what it is. We are going to continue to debate this all next week and we are going to take it into the committee stage. Maybe someone on that side will have the courage to stand up and speak. This bill ought to be rejected.

Debate (on motion by Senator Stephens) adjourned.

COMMITTEES

Finance and Public Administration Committee Meeting

Senator Farrell (South Australia) (6.56 pm)—At the request of the Chair of the Finance and Public Administration Committee, Senator Polley, I move:

That the Finance and Public Administration Committee be authorised to hold a public meeting during the sitting of the Senate today, to take evidence for the committee’s inquiry into the nation building and jobs plan.

Question agreed to.

ALCOPOPS

Return to Order

Senator Stephens (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (6.57 pm)—I table a document relating to estimates questions on notice and additional information on alcohol consumption and the alcopops tax, in response to the order of the Senate of 4 February 2009.

CLIMATE CHANGE

Return to Order


Leave granted.

Senator Stephens—The Treasury’s climate change mitigation modelling is one of the largest and most complex economic modelling projects ever undertaken in Australia, and extensive documentation of the
The project has already been made publicly available. The Treasury’s climate change mitigation modelling was undertaken in conjunction with external consultants. The Treasury is obligated, under contractual agreements with these consultants, to not disclose or make public any confidential information of the other party. This information includes model codes and databases, and it is likely that external consultants would be subject to commercial harm if the Treasury were to release to the committee any model codes or databases covered by such contractual agreements.

Senate adjourned at 7.00 pm

DOCUMENTS

Tabling

The following document was tabled by the Clerk:

Acts Interpretation Act—Statement pursuant to subsection 34C(7) relating to the delay in presentation of reports for 2007-08—

Australian Meat and Live-stock Industry Act—Australian Livestock Export Corporation Ltd (LiveCorp)—Statutory Funding Agreement.

Diary Product Act—Dairy Australia—Statutory Funding Agreement.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Infrastructure, Transport, Regional Development and Local Government: Commonwealth Credit Cards
(Question No. 983)

Senator Ronaldson asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 25 November 2008:

(1) How many Commonwealth credit cards have been issued to departmental and agency staff within the Minister’s portfolio.

(2) How many Commonwealth credit cards have been issued to departmental and agency staff that fall within the responsibility of the Minister’s associated Parliamentary Secretary or Secretaries.

(3) Within the Minister’s portfolio, how many Commonwealth credit cards have been issued to: (a) Staff employed under the Members of Parliament (Staff) Act 1984; (b) The Minister; and (c) The Minister’s associated parliamentary Secretary or Secretaries.

(4) For each Commonwealth credit card issued in (3) above, what was the date of issue.

Senator Conroy—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator’s question:

(1) Department of Infrastructure, Transport, Regional Development and Local Government – 1075
   Civil Aviation Safety Authority – 680
   Australian Maritime Safety Authority – 170
   Airservices Australia – Nil

(2), (3) and (4) NIL for all Agencies.

Agriculture, Fisheries and Forestry: Commonwealth Credit Cards
(Question No. 988)

Senator Ronaldson asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 25 November 2008:

(1) How many Commonwealth credit cards have been issued to departmental and agency staff within the Minister’s portfolio.

(2) How many Commonwealth credit cards have been issued to departmental and agency staff that fall within the responsibility of the Minister’s associated Parliamentary Secretary or Secretaries.

(3) Within the Minister’s portfolio, how many Commonwealth credit cards have been issued to: (a) Staff employed under the Members of Parliament (Staff) Act 1984; (b) the Minister; and (c) the Minister’s associated Parliamentary Secretary or Secretaries.

(4) For each Commonwealth credit card issued in (3) above, what was the date of its issue.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) There are currently 1,196 active Commonwealth credit cards issued to departmental and agency staff within the Minister’s portfolio.

(2) There have been no active Commonwealth credit cards issued to departmental and agency staff that fall within the responsibility of the Minister’s associated Parliamentary Secretary or Secretaries.
(3) Within the Minister’s portfolio, there are no active Commonwealth credit cards issued to: (a) staff employed under the Members of Parliament (Staff) Act 1984; (b) the Minister; and (c) the Minister’s associated Parliamentary Secretary or Secretaries.

(4) Not Applicable

**Families, Housing, Community Services and Indigenous Affairs:**

**Commonwealth Credit Cards**

(Question Nos 995 and 996)

Senator Ronaldson asked the Minister representing the Minister for Housing and the Minister representing the Minister for the Status of Women, upon notice, on 25 November 2008:

(1) How many Commonwealth credit cards have been issued to departmental and agency staff within the Minister’s portfolio.

(2) How many Commonwealth credit cards have been issued to departmental and agency staff that fall within the responsibility of the Minister’s associated Parliamentary Secretary or Secretaries.

(3) Within the Minister’s portfolio, how many Commonwealth credit cards have been issued to: (a) staff employed under the Members of Parliament (Staff) Act 1984; (b) the Minister; and (c) the Minister’s associated Parliamentary Secretary or Secretaries.

(4) For each Commonwealth credit card issued in (3) above, what was the date of its issue.

Senator Wong—The Minister for Housing and the Minister for the Status of Women has provided the following answer to the honourable senator’s question:

(1) 23 – these cards are included in the total of 1036 credit cards across the FaHCSIA portfolio.

(2) 0

(3) (a) 0  
(b) 0  
(c) 0

(4) Not Applicable

**Australia Post**

(Question No. 1048)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 2 December 2008:

**Corporate responsibility strategy**

(1) What are the aims of Australia Post’s corporate responsibility strategy.

(2) Who are the members of the Sustainability Working Group.

(3) Why has Australia Post not invited a representative of the Post Office Agents Association Limited (POAAL) to be part of the working group.

(4) Will Australia Post invite a representative of POAAL to be part of the working group.

(5) Is Australia Post breaching any consultative agreements it has with stakeholder groups such as POAAL or the Communications Electrical Plumbing Union by not involving them in the working group.

**Postie bikes for contractors**

(6) Is there a procedure for mail contractors to buy Honda postie bikes; if so, does Australia Post advise mail contractors of the procedure.
(7) Are contractors able to buy postie bikes from Honda at the Australia Post rate; if not, why not.

(8) Given that Australia Post now ‘retires’ its own postie bikes after they have travelled a certain number of kilometres and they are then sold through major automotive auction houses, but in the past Australia Post used to sell them direct to contractors (this practice ceased a few years ago):
   (a) how does Australia Post determine when to dispose of a postie bike, is it based on hours of use, kilometres travelled, age, or some other factor;
   (b) (i) how does Australia Post dispose of postie bikes, and (ii) are any offered for direct sale to mail contractors;
   (c) does Australia Post: (i) sell postie bikes with the pannier bags intact or are they stripped from the bikes, (ii) make the pannier bags available to contractors to purchase, (iii) have a supplier for these pannier bags, and (iv) have the pannier bags custom made; and
   (d) does Australia Post offer postie bikes for sale to contractors before putting them up for auction through an auction house.

Fuel prices

(9) With reference to the 2008-09 Budget estimates hearing of the Environment, Communications and the Arts Committee (Committee Hansard, 26 May 2008, p. ECA 18) in which Mr Newman stated that Australia Post has no plans to introduce automated fuel price reviews:
   (a) given that Australia Post recently reduced the threshold for fuel price reviews from 7 per cent to 5 per cent: (i) how did Australia Post come to this decision, and (ii) does Australia Post have any plans to make this change permanent;
   (b) has Australia Post considered varying the period from 3 months to a shorter period; and
   (c) given that in the answer to question 5 (taken on notice) concerning how many contracts had been resigned because of rising fuel prices, Australia Post stated that it had no data on reasons why contracts are resigned, would it not be in Australia Post’s interest to find out why contractors are resigning their contracts; if so, does Australia Post have any plans to conduct ‘exit surveys’ for contractors who resign their contract.

Franchised PostShops

(10) (a) How many dedicated Australia Post personnel look after franchised PostShops; and (b) where are these personnel located.

(11) Does Australia Post offer incentives or special deals to people to take on a franchised PostShop.

(12) Do all operating franchised PostShops have an owner/operator or are there still some Australia Post-appointed people operating them.

(13) How many corporate post offices does Australia Post intend to convert to franchised PostShops in the 2008-09 financial year.

(14) Does Australia Post have any plans to convert any Licensed Post Offices (LPOs) to franchised PostShops in 2009.

Licensee Advisory Committee

(15) With reference to the answer to question 3, taken on notice during the 2008-09 Budget estimates hearing of the Environment, Communications and the Arts Committee, Australia Post provided a copy of the Licensee Advisory Council’s (LAC’s) ‘nil return’ as lodged with the Australian Securities and Investments Commission which showed that there was no income or expenditure for the LAC, and Australia Post’s statement at a previous estimates hearing that Australia Post meets all of the LAC’s costs:
   (a) (i) how are LAC costs allocated by Australia Post, and (ii) are the costs met by a specific group;
(b) if the funds are taken from the retail group, does this mean that funds that would have ordinarily been earmarked for payments to licensees are redirected to fund the LAC; and

(c) can a breakdown by state and national LACs be provided on how much Australia Post spent on LAC expenses during the 2007-08 financial year, detailing: (i) travel, (ii) accommodation, (iii) Australia Post staff time, and (iv) other administrative costs.

**Delivery standards for post office box mail**

(16) How does Australia Post determine the delivery standard for post office (PO) box mail at LPOs where the standard is after 9 am.

(17) Can licensees request that their PO box mail be sequenced in order to reduce sorting time.

(18) When Australia Post’s delivery arm makes changes to the arrangements for the delivery of mail to LPOs, does it liaise with its retail arm so that licensees are compensated for any mail work performed before 8 am or after 9 am, where extra staff would need to be employed just to sort the mail.

(19) Does Australia Post have a formula for allocating staff time to sort mail to meet the standards for private boxes, knowing how much time is needed to sort this mail.

**Parcel collection**

(20) (a) How many centralised parcel collection facilities did Australia Post establish in: (i) 2007, and (ii) 2008; and (b) are they successful.

**Customer contact lists**

(21) Given that licensees and smaller corporate post offices have suffered a downturn in their business as their best business customers are ‘poached’ by corporate account managers or larger corporate post offices:

(a) does Australia Post do due diligence before taking this step of ‘poaching’ customers from its own outlets;

(b) is it a fact that some, if not all, account managers receive a bonus payment for transferring this business; and

(c) what does Australia Post do to make up the shortfall in the licensee’s business payment when their best customers are ‘poached’ with offers which Australia Post does not permit licensees to offer.

**Supply of retail products to licensees**

(22) Given that Australia Post makes available to licensees a range of non-postal retail products such as greeting cards, gift lines, stationery and small office supplies:

(a) does Australia Post supply retail products to licensees at the same wholesale price which licensees could obtain by going direct to the wholesaler/distributor or does Australia Post take a cut for itself on the way through; and

(b) when a licensee at a stand-alone outlet writes to Australia Post requesting authority to sell products other than those on the Australia Post list, does Australia Post take each request on a case by case basis or is a proforma refusal sent to all requests.

**Australia Post headquarters**

(23) Did Australia Post consider purchasing its own building for its national headquarters.

(24) (a) How much did the most recent fit-out of the Managing Director’s office and the 19th floor cost; and (b) did Australia Post pay for the fit-out or was it paid for by the landlord.

(25) Has Australia Post looked at the feasibility of having its headquarters in Canberra near the centre of Government, as do many other Government departments and agencies.
Travel
(26) For the 2007-08 financial year, how much was spent on: (a) travel for the Managing Director; (b) accommodation and other travel-associated costs for the Managing Director; and (c) travel and accommodation for the board.
(27) What level of Australia Post managers, travel via: (a) business class; and (b) economy class.
(28) Does Australia Post make its own travel bookings or are travel bookings made through an agency.
(29) If the bookings are made through an agency, what are the benefits.
(30) Does Australia Post use the cheapest airline when booking air travel for its managers, board, etc; if not, why not.

(31) How frequently does Australia Post use teleconferencing or video conferencing rather than travel.

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

Corporate responsibility strategy
(1) The basic aim of Australia Post’s Corporate Responsibility (CR) strategy is to be, and be recognised as, a corporation and workforce that creates success via sustainable work practices.
(2) The Sustainability (CR) Working Group is an internal management group that includes senior managers from the following Divisions/Groups: Commercial, Mail and Networks, Corporate Infrastructure Services, Letters, Finance, Human Resources, Corporate Public Affairs, Corporate Strategy and Corporate Audit.
(3) The CR Working Group is an internal management group. External views on CR have been obtained directly from a number of key stakeholders, including POAAL and the CEPU. Further consultation will be undertaken as and when required.

Postie bikes for contractors
(6) Yes - on request, Post provides contractors with a letter of introduction to a Honda dealer that confirms their status as a mail contractor.
(7) Australia Post’s contract with Honda only allows Australia Post to purchase motorcycles at a negotiated rate for its own use. A contractor who wishes to purchase a Honda motorcycle must negotiate directly with a dealer.
(8) (a) Under Australia Post’s Motor Vehicle Replacement Policy, motorcycles are replaced after 3 years or 25,000 kilometres. This has been determined through a whole of life cost analysis as the most appropriate point to dispose of the unit.
(b) (i) Australia Post disposes of motorcycles through selected auction houses. (ii) Australia Post does not sell motorcycles direct to mail contractors because it does not have the necessary Licensed Motor Vehicle Trader licence.
(c) (i) Pannier bags are removed prior to motorcycles going to auction. (ii) Australia Post does not sell pannier bags - mail contractors are able to purchase them direct from the supplier, if they wish. Details of suppliers and costs are provided in Part A of the tender documents. (iii & iv) The pannier bags are custom made by a firm in South Australia and the frame for the bags is made by a different firm in Victoria.
(d) See response to part (b).

Fuel prices
(9) (a) (i) Australia Post made the decision to assist delivery contractors at a time of spiralling fuel prices. By lowering the threshold rate from 7% to 5%, less actual movement in fuel price is re-
required to qualify for a review. (ii) The reduction to 5% was a temporary measure and contractors were notified that if fuel prices decreased, the threshold rate would revert to 7%.

(b) No.

(c) As part of an ongoing review of mail contracting, Australia Post is considering the introduction of exit interviews.

Franchised PostShops

(10) (a/b) Currently, there are five dedicated franchise management positions in the following locations: Headquarters (2), New South Wales (2) and Victoria (1). As the franchise network is relatively small at this stage (28 outlets), most states incorporate franchise management with other duties.

(11) No.

(12) All operating franchised PostShops have an owner/operator in place.

(13) Australia Post has no current plans to convert any corporate post offices to franchised PostShops in the 2008-09 financial year.

(14) There are no specific plans to convert LPOs to franchised PostShops in 2009. However, should an opportunity arise, and the Licensee be agreeable, Australia Post would consider this option on a case-by-case basis.

Licensee Advisory Committee

(15) (a) State costs are allocated to specific general ledger codes within each state’s retail management area. National costs are allocated to specific general ledger codes within the Retail Channels and Infrastructure Group.

(b) No. Funding for the Licensee Advisory Committee is over and above licensee payments, which are made in accordance with the licensee payment schedule associated with their agreement with Australia Post.

(c) The following table details LAC expenses (rounded to the nearest $1000) during 2007-08:

<table>
<thead>
<tr>
<th>Expense</th>
<th>National</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting Expenses</td>
<td>$1,000</td>
<td>$18,000</td>
</tr>
<tr>
<td>Airfares and Accommodation</td>
<td>$38,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>LAC elections</td>
<td>$18,000</td>
<td>-</td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td>$57,000</td>
<td>$48,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$105,000</td>
<td></td>
</tr>
</tbody>
</table>

[NB – Australia Post does not specifically identify staff time for this activity in its accounts].

Delivery standards for post office box mail

(16) The standard of service for delivery of mail into PO Boxes is determined after consultation with the licensee at the time of assignment or at the time of establishment of a PO Box service at an LPO. Customer expectations, geographic locations and operational cost and efficiencies are considered when determining the standard. The agreed standard of service forms part of the special conditions of the LPO Agreement.

(17) Licensees can request or suggest operational changes, and these are considered in terms of overall policy or operational efficiency and capability. In relation to sequencing, Australia Post can provide an initial sort for large PO Box suites on request but does not sequence this mail into individual box numbers. This activity is still performed at outlet level.

(18) Changes in mail delivery time that may affect PO Box sorting time at an LPO are made in conjunction with relevant business areas and licensees are advised. If it is a material change to existing arrangements, appropriate payments under the LPO Agreement would apply.

QUESTIONS ON NOTICE
(19) Australia Post does not use a formula for this activity, but has a set of minimum sorting standards that can be applied as a guide.

Parcel collection
(20) (a) (i) One - Ellenbrook, WA. (ii) None.
(b) Centralised parcel collection facilities are a relatively new concept suiting specific local circumstances. While early indications are that the small number currently operating are showing signs of success – ie there has been positive customer feedback about extended trading hours, adequate parking availability and shorter waiting times - Australia Post will continue to monitor their progress against customer satisfaction, operational efficiency gains and long term effect on local retail outlet performance.

Customer contact lists
(21) (a) Australia Post does not have a policy of transferring business customers between outlets. In some situations (eg in response to a customer request for information on Australia Post services or products) Australia Post may specify a different lodgement point after considering the customer’s preference, the physical capacity of the nominated lodgement point and the most efficient and cost-effective method of handling lodgements.
(b) No.
(c) In the event that business moves from one outlet to another, there is no reimbursement for any consequent shortfall.

Supply of retail products to licensees
(22) (a) Australia Post leverages its national purchasing power and passes on the bulk of the margin to licensees who choose to source the items in question from the corporation. Australia Post incurs its own warehousing and distribution costs in servicing the Licensee network.
(b) Requests to approve the sale of non-Australia Post products in a stand-alone outlet are considered on a case-by-case basis in the light of individual circumstances.

Australia Post headquarters
(23) Australia Post has on a number of occasions evaluated – but not pursued – opportunities to purchase its own Headquarters building.
(24) (a/b) The most recent refurbishment was completed in early 2002 at a cost to Australia Post of $514,654.
(25) No.

Travel
(26) (a) $50,831
(b) $20,205
(c) $110,910.
(27) (a) Executive Committee Members - all flights; Other Executives – domestic flights over 2 hours and international flights; Middle level managers and other staff - international flights (other than trans-Tasman).
(b) Executives - flights under 2 hours; Middle level managers and other staff - domestic and trans-Tasman flights.
(28) All travel bookings are made through Australia Post’s travel management company, American Express Business Travel.
(29) Benefits include being licensed, travel expertise and experience, the ability to leverage discounted arrangements from travel suppliers and the provision of management reporting and information back to Australia Post.

(30) Australia Post has negotiated airfares for both domestic and international travel. These airfares are heavily discounted and are used because of the flexibility provided to travellers eg the airfares can be refunded/re-credited when not used and flight times can be changed without loss of the fare.

(31) Teleconferencing and video conferencing are used on a daily basis, with video conference facilities available in Headquarters and all state offices.

**Education, Employment and Workplace Relations: Program Funding**

*(Question Nos 1089, 1090, 1091, 1117 and 1122)*

**Senator Abetz** asked the Minister representing the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion, upon notice, on 3 December 2008:

(1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister’s portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.

(2) How much depreciation funding for each department or agency in the Minister’s portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Carr**—The Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion has provided the following answer to the honourable senator’s question:

(1) (a) For the period 1 December 2007 to 30 June 2008 my Portfolio committed to spending $601.497 million under Regulation 10 of the *Financial Management and Accountability Act 1997*. The table below provides the commitment per agency and breaks the commitment down by approval mechanism.

<table>
<thead>
<tr>
<th>Agency</th>
<th>1(b)(i) Commitment approved at the agency level $’000</th>
<th>1(b)(ii) Commitment approved by the Minister for Finance and Deregulation $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Education, Employment and Workplace Relations</td>
<td>578,934</td>
<td>NIL</td>
</tr>
<tr>
<td>Australian Fair Pay Commission Secretariat</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Australian Industrial Relations Commission / Australian Industrial Registry</td>
<td>7,415</td>
<td>NIL</td>
</tr>
<tr>
<td>Australian Learning and Teaching Council ¹</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Comcare ¹</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Office of the Australian Building and Constructions Commissioner</td>
<td>21</td>
<td>NIL</td>
</tr>
<tr>
<td>Teach Australia – Australian Institute for Teaching and School Leadership ¹</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Workplace Authority</td>
<td>11,251</td>
<td>NIL</td>
</tr>
<tr>
<td>Workplace Ombudsman</td>
<td>3,876</td>
<td>NIL</td>
</tr>
</tbody>
</table>
QUESTIONS ON NOTICE

1 These bodies are incorporated under the Commonwealth Authorities and Companies Act 1997. Regulation 10 of the Financial Management and Accountability Act 1997 does not apply to these bodies.

(2) Since the introduction of accrual budgeting in 1999-2000, departments and agencies have been appropriated for some non-cash items, including depreciation. The accumulated funds are included as ‘appropriation receivable’ in each agency’s balance sheet. These funds are available to the department and agencies to meet expenditure as required, including for the replacement of assets. The department and agencies do not separately identify funds held for the purchase of assets. The table below shows the estimated depreciation funding available for the 2008-09 financial year, depreciation spent in 2007-08 and the amount spent on assets in 2007-08.

<table>
<thead>
<tr>
<th>Agency</th>
<th>2(a) Depreciation funding available as at 30 June 2008</th>
<th>2(b) Depreciation funding spent in the 2007-08 financial year</th>
<th>2(c) Amount spent in 2007-08 to replace assets for which it was appropriated.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Education, Employment and Workplace Relations</td>
<td>78,067</td>
<td>72,561</td>
<td>74,437</td>
</tr>
<tr>
<td>Australian Fair Pay Commission Secretariat</td>
<td>526</td>
<td>56</td>
<td>2</td>
</tr>
<tr>
<td>Australian Industrial Relations Commission / Australian Industrial Registry</td>
<td>1,010</td>
<td>820</td>
<td>654</td>
</tr>
<tr>
<td>Australian Learning and Teaching Council1</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Comcare1</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Office of the Australian Building and Constructions Commissioner</td>
<td>1060</td>
<td>557</td>
<td>557</td>
</tr>
<tr>
<td>Teach Australia – Australian Institute for Teaching and School Leadership1</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Workplace Authority</td>
<td>6,520</td>
<td>747</td>
<td>747</td>
</tr>
<tr>
<td>Workplace Ombudsman</td>
<td>7,693</td>
<td>6,241</td>
<td>NIL</td>
</tr>
</tbody>
</table>

1 These bodies are incorporated under the Commonwealth Authorities and Companies Act 1997. They do not receive direct appropriation; except for a small amount for Comcare which is not depreciation funding.

Foreign Affairs and Trade: Program Funding
(Question Nos 1095 and 1096)

Senator Abetz asked the Minister representing the Minister for Foreign Affairs and the Minister representing the Minister for Trade, upon notice, on 3 December 2008:

(1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister’s portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.
(2) How much depreciation funding for each department or agency in the Minister’s portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Faulkner**—The Minister for Foreign Affairs and the Minister for Trade has provided the following answer to the honourable senator’s question:

1. From 1 December 2007 to 30 June 2008, under FMA Regulation 10:
   - For DFAT, (a) $318.949 million was approved; (b) (i) $228.085 million was approved at the department level, and (ii) $90.864 million was approved by the Minister for Finance and Deregulation.
   - For AusAID, (a) $1.085 billion was approved; (b) (i) $1.085 billion was approved at the agency level, and (ii) nil.
   - For Austrade, (a) $4.556 million was approved; (b) (i) $4.556 million was approved at the agency level, and (ii) nil.
   - For ACIAR, (a) $34.983 million was approved; (b) (i) $34.983 million was approved at the agency level, and (ii) nil.
2. (a) Please refer to the Foreign Affairs and Trade Portfolio Additional Estimates Statements 2007-08.
   - (b) Please refer to DFAT’s and each agency’s Annual Report 2007-08.
   - (c) The budget is allocated to priorities on the basis of need and the Government does not try to allocate funding from particular sources to particular programs.

**Families, Housing, Community Services and Indigenous Affairs: Program Funding**  
(Question No. 1099)

**Senator Abetz** asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 3 December 2008:

1. (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the *Financial Management and Accountability Act 1997* (the Act) for each department and/or agency that operates under the Act in the Minister’s portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.
2. How much depreciation funding for each department or agency in the Minister’s portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Chris Evans**—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

1. For the period 1 December 2007 to 30 June 2008, the funds committed under Regulation 10 of the *Financial Management and Accountability (FMA) Act 1997* (the Act) for each department and/or agency that operates under the Act in FaHCSIA’s portfolio were:
(2) The sum of depreciation funding is as stated below:

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>(a) available as at 30 June 2008</th>
<th>(b) spent in the 2007-08 financial year</th>
<th>(c) spent in the 2007-08 financial year to directly replace assets for which it was appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Families, Housing, Community Services &amp; Indigenous Affairs</td>
<td>Nil</td>
<td>$24.38m</td>
<td>$24.38m</td>
</tr>
<tr>
<td>Social Security Appeals Tribunal</td>
<td>Included in FaHCSIA’s response</td>
<td>Included in FaHCSIA’s response</td>
<td>Included in FaHCSIA’s response</td>
</tr>
<tr>
<td>Equal Opportunity for Women in the Workplace Agency</td>
<td>$0.23m</td>
<td>$0.17m</td>
<td>$0.17m</td>
</tr>
<tr>
<td>All other portfolio entities</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Note that all other portfolio entities are not directly appropriated for depreciation. Such entities within FaHCSIA’s portfolio are as stated below:
- Aboriginal Hostels Limited
- Anindilyakwa Land Council
- Central Land Council
- Indigenous Business Australia
- Indigenous Land Corporation
- Northern Land Council
- Tiwi Land Council
- Torres Strait Regional Authority
- Wreck Bay Aboriginal Community Council
Environment, Water, Heritage and the Arts: Program Funding
(Question No. 1105)

Senator Abetz asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 3 December 2008:

(1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister’s portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.

(2) How much depreciation funding for each department or agency in the Minister’s portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) (a) The table below identifies, for the period 1 December 2007 to 30 June 2008, the total value of agreements or arrangements entered into by the department and agencies in the Minister’s portfolio subject to the Financial Management and Accountability Act 1997 (the Act) requiring authorisation under regulation 10 of the Act.

Note the values identified include expenditure in the 2007-2008 financial year and future financial years.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Total Value of Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of the Environment, Water, Heritage and the Arts</td>
<td>$354,130,213.87</td>
</tr>
<tr>
<td>Bureau of Meteorology</td>
<td>$33,770,913.00</td>
</tr>
<tr>
<td>Great Barrier Reef Marine Park Authority</td>
<td>$574,373.03</td>
</tr>
<tr>
<td>Total</td>
<td>$388,475,409.87</td>
</tr>
</tbody>
</table>

(b) Every agreement or arrangement requiring regulation 10 authorisation under the Act was authorised by a delegate of the Minister for Finance and Deregulation at the department or agency level.

(2) The table below identifies the sum of depreciation funding for each department or agency in the Minister’s portfolio: (a) available as at 30 June 2008; (b) the amount spent in 2007-08 financial year; and (c) the amount spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

| Sum of Depreciation Funding: | available as at 30 June 2008 $'000 | spent during 2007-08 $'000 | spent in 2007-08 to directly replace assets $'000 |
|------------------------------|-----------------------------------|--------------------------|---------------------------------
| Department of the Environment, Water, Heritage and the Arts | 64 | 37,697 | 37,697 |
| Bureau of Meteorology        | 2,700 | 46,300 | 46,300 |
| Director of National Parks   | 3,200 | 5,500 | 5,500 |
**QUESTIONS ON NOTICE**

**Sum of Depreciation Funding:**

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>Available as at 30 June 2008 $'000</th>
<th>Spent during 2007-08 $'000</th>
<th>Spent in 2007-08 to directly replace assets $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Barrier Reef Marine Park Authority</td>
<td>NIL</td>
<td>1,514</td>
<td>1,514</td>
</tr>
<tr>
<td>Sydney Harbour Federation Trust</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Australia Council</td>
<td>186</td>
<td>355</td>
<td>355</td>
</tr>
<tr>
<td>Australian Film, Television and Radio School</td>
<td>307</td>
<td>1,388</td>
<td>1,388</td>
</tr>
<tr>
<td>Australian National Maritime Museum</td>
<td>6,500</td>
<td>3,110</td>
<td>3,110</td>
</tr>
<tr>
<td>National Film and Sound Archive</td>
<td>2,673</td>
<td>4,344</td>
<td>3,823</td>
</tr>
<tr>
<td>National Gallery of Australia</td>
<td>238</td>
<td>15,926</td>
<td>14,844</td>
</tr>
<tr>
<td>National Library of Australia</td>
<td>2,423</td>
<td>16,746</td>
<td>16,746</td>
</tr>
<tr>
<td>National Museum of Australia</td>
<td>NIL</td>
<td>7,720</td>
<td>7,720</td>
</tr>
<tr>
<td>Screen Australia</td>
<td>66</td>
<td>3,072</td>
<td>3,072</td>
</tr>
</tbody>
</table>

**Families, Housing, Community Services and Indigenous Affairs: Program Funding**

*Question Nos 1115 and 1116*

**Senator Abetz** asked the Minister representing the Minister for Housing and the Minister representing the Minister Status of Women, upon notice, on 3 February 2008:

1. (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister’s portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.

2. How much depreciation funding for each department or agency in the Minister’s portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Wong**—The Minister for Housing and the Minister for the Status of Women has provided the following answer to the honourable senator’s question:

1. For the period 1 December 2007 to 30 June 2008, the funds committed under Regulation 10 of the Financial Management and Accountability (FMA) Act 1997 (the Act) for each department and/or agency that operates under the Act in FaHCSIA’s portfolio were:

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**QUESTIONS ON NOTICE**
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>(a) funds committed under regulation 10 of the FMA Act</th>
<th>(b)(i) approved at the department/ agency level</th>
<th>(b)(ii) approved by the Minister for Finance and Deregulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Families, Housing, Community Services &amp; Indigenous Affairs</td>
<td>$489.98m</td>
<td>$489.98m</td>
<td>Nil</td>
</tr>
<tr>
<td>Social Security Appeals Tribunal</td>
<td>Included in FaHCSIA’s response</td>
<td>Included in FaHCSIA’s response</td>
<td>Nil</td>
</tr>
<tr>
<td>Equal Opportunity for Women in the Workplace Agency</td>
<td>$1.32m</td>
<td>$1.32m</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(2) The sum of depreciation funding is as stated below:

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>(a) available as at 30 June 2008</th>
<th>(b) spent in the 2007-08 financial year</th>
<th>(c) spent in the 2007-08 financial year to directly replace assets for which it was appropriated</th>
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</thead>
<tbody>
<tr>
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<td>$24.38m</td>
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- Indigenous Land Corporation
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- Tiwi Land Council
- Torres Strait Regional Authority
- Wreck Bay Aboriginal Community Council
Aged Care
(Question No. 1185)

Senator Cormann asked the Minister representing the Minister for Ageing, upon notice, on 17 December 2008:
As at 17 December 2008, how many Aged Care Assessment Team assessments for low care have been reassessed as high care since 20 March 2008.

Senator Ludwig—The Minister for Ageing has provided the following answer to the honourable senator’s question:
Of the admissions into residential aged care since 20 March 2008, there were 3,277 residents with a current Aged Care Assessment Team (ACAT) approval for residential aged care that were reassessed and approved for a different type of care as at 17 December 2008 (for data received by the Department of Health and Ageing on 7 January 2009). Of these new approvals there were 1,996 admissions where the resident entered into residential aged care with approval for low care, but were subsequently reassessed and approved by the ACAT for high care.

Aged Care
(Question No. 1187)

Senator Cormann asked the Minister representing the Minister for Ageing, upon notice, on 17 December 2008:
As at 17 December 2008, how many Aged Care Assessment Team assessments have been undertaken, since 20 March 2008, for high care which have been reassessed as low care.

Senator Ludwig—The Minister for Ageing has provided the following answer to the honourable senator’s question:
Of the admissions into residential aged care since 20 March 2008, there were 3,277 residents with a current Aged Care Assessment Team (ACAT) approval for residential aged care that were reassessed and approved for a different type of care as at 17 December 2008 (for data received by the Department of Health and Ageing on 7 January 2009). Of these new approvals there were 32 admissions where the resident entered into residential aged care with approval for high care, but were subsequently reassessed and approved by the ACAT for low care.

Indigenous Land Owners
(Question No. 1197)

Senator Cormann asked the Minister for Climate Change and Water, upon notice, on 18 December 2008:
With reference to the following statement taken from the White Paper, Carbon Pollution Reduction Scheme: Australia’s low pollution future, (December 2008, p. xxix), ‘The Government will facilitate the participation of Indigenous land managers in carbon markets and will consult with Indigenous Australians on forestry and other opportunities under the Scheme’:
(1) Will a distinct set of rules be established for Indigenous land owners as compared to non-Indigenous land owners, particularly in regard to lease-hold land.
(2) Where does the ownership of sequestered carbon lie in relation to: (a) lease-hold land; (b) land held under native title arrangements; and (c) land jointly held under lease-hold and native title.

Senator Wong—The answer to the honourable senator’s question is as follows:
(1) My Department is currently considering rules for all land owners, including Indigenous land owners, in regard to lease-hold land.
(2) (a) In the Carbon Pollution Reduction Scheme (CPRS) White Paper, the Government outlined its position that landholders, certain leaseholders and carbon property rights holders will be able to apply to become accredited forest entities under the Scheme. Participation by these entities in the CPRS will be subject to them meeting certain requirements. Details of these requirements will be developed in consultation with stakeholders and outlined in the exposure draft to be released at the end of February 2009.

(b) & (c) These issues are currently being investigated by my Department.

**Western Australian Sandalwood (Question No. 1198)**

Senator Cormann asked the Minister representing the Minister for Foreign Affairs, upon notice, on 18 December 2008:

With reference to the answer to Question 17, taken on notice during the additional budget estimates hearing of the Foreign Affairs, Defence and Trade Committee on 21 February 2008 (Committee Hansard, FAD&T 154-5), regarding access to the Indian market by Western Australian Sandalwood producers, ‘The Australian High Commissioner has written to the Secretaries of the Indian Ministries of Commerce and Finance to seek the removal or reduction of India’s tariff on sandalwood oil. The Department will continue to follow up these representations’:

(1) Can details be provided of all actions, including representations, regarding this issue undertaken by the department in 2008.

(2) What follow-up to the letter cited in the answer took place.

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

(1) In addition to the correspondence detailed in response to the second question, the issue was raised on 19 May 2008 as part of the Australia-India Joint Ministerial Commission Senior Officials’ Talks. The Minister for Trade, Mr Crean, wrote to India’s Minister for Commerce and Industry, Mr Kamal Nath, on 27 June and included the tariff on sandalwood oil in a list of issues which currently impede bilateral trade and investment, with a request for India to lower the tariff.

A further request to lower the tariff on sandalwood oil was included in correspondence (dated 18 December 2008) from the Australian High Commissioner to the Government of India in the context of the High Commission’s annual submission on the upcoming Indian budget. The High Commissioner’s correspondence was addressed to six ministers, including the Minister of State for Finance, the Minister of Agriculture, Consumer Affairs, Food & Public Distribution, and the Minister of Commerce & Industry, as well as India’s two leading industry peak bodies (the Federation of Indian Chambers of Commerce and Industry, and the Confederation of Indian Industry).

Australia also added sandalwood to its list of WTO Developing Country Priority Products in March 2008. The list of Australia’s priority products (exports) to India was handed to Indian officials in a bilateral meeting in the week ending 30 May 2008. India agreed to consider the list and maintain dialogue on the issue.

(2) Dr Shyam Agarwal, Additional Director General, Directorate of Foreign Trade, wrote to the High Commissioner on 10 April 2008 seeking further information on the Australian sandalwood industry. Following receipt of information from Australian industry, the High Commission provided a response to Dr Agarwal in a letter on 27 August 2008.