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SITTING DAYS—2009

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

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

Heads of Parliamentary Departments

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

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

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

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

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

Leader of the Opposition
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]
**SHADOW MINISTRY—continued**

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<td>Shadow Minister for Financial Services, Superannuation and Corporate Law</td>
<td>The Hon Chris Pearce MP</td>
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<td>Shadow Assistant Treasurer</td>
<td>The Hon Tony Smith MP</td>
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<td>Shadow Minister for Sustainable Development and Cities</td>
<td>The Hon Bruce Billson MP</td>
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<td>Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence</td>
<td>The Hon Bob Baldwin MP</td>
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<td>Shadow Minister for Veterans’ Affairs</td>
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<td>Shadow Minister for Justice and Customs</td>
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers.

SRI LANKA

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.31 am)—Mr President, I seek leave to make a statement in relation to general business notice of motion No. 349, standing in my name, of yesterday.

Leave granted.

Senator BOB BROWN—Yesterday I moved in the Senate a motion relating to the war in Sri Lanka. However, I failed to amend it, as requested by I think the opposition and the government. I seek leave to amend it in the terms circulated and to then put the motion again.

Leave granted.

Senator BOB BROWN—I thank the Senate. I move the motion as amended:

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 all parties 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;
(c) supports calls on all parties to ensure humanitarian aid is delivered to civilians in the conflict zone and journalists be permitted to report freely; and
(d) welcomes the call of the Tokyo Co-Chairs (Norway, Japan, United States of America and the European Union) for the Liberation Tigers of Tamil Eelam to discuss with the Sri Lankan Government how to end hostilities.

Question agreed to.

BUSINESS

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.32 am)—by leave—I move:

That questions without notice and motions to take note of answers not be proceeded with today.

I thank the opposition, minor parties and the Independent for their support.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.32 am)—Once again, the Greens do not endorse the notion that question time should be set aside because of the bushfire crisis. In fact, it is our belief that, when there are times of great national tragedy or other matters of great national moment, question time is all the more relevant. I think there is a concern that there could be some untoward behaviour during question time which would reflect on the chamber at this time of national tragedy. That is a matter for senators to properly address themselves on. We believe question time should proceed, but we are not going to stand in the way of the motion by opposing it.

Senator MINCHIN (South Australia—Leader of the Opposition in the Senate) (9.33 am)—Once again, I acknowledge Senator Brown’s proper interest in the chamber engaging daily in question time, but the events that have struck Australia this week are completely unprecedented. I think the parliament should act in accordance with and in acknowledgement of the unprecedented nature of the events surrounding us. For reasons that do not need to be particularly articulated, it is appropriate—as the government has suggested—that in recognition of these circumstances question time itself should be suspended this week. We should proceed with other business. We have plenty of other business before us and we can usefully ex-
ploy the time made available by the suspension of question time. I think it is more than appropriate that for this week—that is, for today and tomorrow—there be no question time, so we are in support of the government’s motion.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.34 am)—As I said yesterday, I am very reluctant to let question time go. But, as a Victorian and knowing exactly what has happened in Victoria, I would find it offensive to hold question time and I find what Senator Brown said very offensive, frankly. I think we should hold off question time this week. These are exceptional circumstances, and I think it is more than appropriate that we suspend question time for this week.

Question agreed to.

CLIMATE CHANGE

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) (9.35 am)—I seek leave to make a statement in addition to my statement of 5 February 2009 in relation to the production of documents in order of the Senate No. 27 of 4 February 2009.

Leave granted.

Senator STEPHENS—The government believes that the provision of documents related to the modelling conducted for Australia’s low pollution future: the economics of climate change mitigation would cause substantial commercial harm to organisations that were contracted to assist Treasury. In the case of the Monash Multi-Regional Forecasting model, the MMRF model, provision of the model codes and database would cause substantial commercial harm to Monash University—in particular, to the Centre of Policy Studies at that university. The model codes and databases for this model are the private, confidential information of that organisation. They are sold as a commercial product by Monash University. Disclosure of these model codes and databases would have the result that other organisations would have had access to this information without entering into a commercial arrangement with Monash University. In effect, Monash University would be deprived of the value of the model codes and databases, resulting in commercial harm through the loss of the market to which they had previously sold their products.

In the case of the Global Trade and Environment Model, the GTEM, provision of the database would cause substantial commercial harm to the Centre for Global Trade Analysis at Purdue University. The Centre for Global Trade Analysis provides the global trade analysis project database from which the database for the GTEM has been derived. Disclosure of this GTEM database would have the effect of disclosing a substantial portion of the private, confidential information of the Centre for Global Trade Analysis. Disclosure of this database would have the result that other organisations would have access to this information, again without entering into a commercial arrangement with the Centre for Global Trade Analysis. This would prejudice the ability of the Centre for Global Trade Analysis to sell access to the database in Australian and world markets, resulting in commercial harm through the loss of the market to which they have previously sold their products.

COMMITTEES

Fuel and Energy Committee

Meeting

Senator CORMANN (Western Australia) (9.38 am)—by leave—Noting the government’s statement, I wish to advise the Senate
that the Select Committee on Fuel and Energy will be considering the government’s further statement in relation to the persistence of the government in keeping secret information that we think is important for the appropriate scrutiny of the Treasury modelling. In that context, I seek leave to move a motion to enable the Select Committee on Fuel and Energy to meet during the sitting of the Senate today.

Leave granted.

Senator CORMANN—I move:

That the Select Committee on Fuel and Energy be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 11am.

Question agreed to.

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 from 10 February, on motion by Senator Sherry:

That these bills be now read a second time.

The PRESIDENT—The question is that the bills be now read a second time.

A division having been called and the bells being rung—

Senator Bob Brown—I wish to declare that I may have an interest in this legislation, particularly the tax bonus component.

Senator Hanson-Young—I wish to declare that I may have an interest in this legislation because of the tax issues.

Senator Milne—I too wish to declare that I may have an interest in this legislation because of the tax bonus.

Senator Siewert—I too wish to declare that I may have an interest in this legislation because of the tax bonus.

Senator Ludlam—I wish to declare a similar interest in this legislation, in particular in the tax provisions.

Senator Ian Macdonald—I would like to inform the Senate that I would hope I have an interest in that one of the roads that might be built might pass by some part of North Queensland.

The Senate divided. [9.44 am]

(Ayres........... 36
Noes............. 34
Majority........ 2)

AYES

Arbib, M.V. Bilyk, C.L. Bilton, B.J.
Bishop, T.M. Cameron, D.N.
Brown, C.L. Collins, J.
Carr, K.J. Crossin, P.M.
Conroy, S.M. Faulkner, J.P.
Farrell, D.E. Fielding, S.
Feeney, D. Furner, M.L.
Forshaw, M.G. Hagan, S.C.
Hanson-Young, S.C. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Ludlam, S. Ludwig, J.W.
Lundy, K.A. Marshall, G.
McEwen, A. Mclucas, J.E.
Milne, C. Moore, C.
O’Brien, K.W.K. * Polley, H.
Sherry, N.J. Siewert, R.
Stephens, U. Sterle, G.
Wortley, D. Xenophon, N.
Senator Evans did not vote, to compensate for the vacancy caused by the resignation of Senator Ellison.

Question agreed to.

Bills read a second time.

In Committee

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

Senator LUDWIG (Queensland—Minister for Human Services) (9.48 am)—I have asked the Senate to go into committee to consider these bills and, so as to provide some order, I would also suggest that the committee consider the bills in the following order: Household Stimulus Package Bill 2009 and then each of the appropriation bills in order, followed by the Tax Bonus for Working Australians Bill 2009 and related bill and then the Commonwealth Inscribed Stock Amendment Bill 2009.

The CHAIRMAN—Is it the wish of the committee that we deal with the bills in that order?

Senator ABETZ (Tasmania) (9.48 am)—I suggest that we have a general discussion first, because there are clearly a lot of matters that cross over between the bills and then, if need be, go to the specifics. But I would have thought a cognate debate would be of assistance to everybody, and that would be my proposal.

The CHAIRMAN—Is it the wish of the committee that we proceed on that basis?

Senator LUDWIG (Queensland—Minister for Human Services) (9.49 am)—I think that is an excellent suggestion. I am happy to deal with the bills in a cognate way to provide a discussion on general matters first and then the bills in the order that I have outlined. I think that would be a sensible way of proceeding. I thank the opposition for their input.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.49 am)—I agree with that.

The CHAIRMAN—Is it the wish of the committee that we proceed in the manner suggested by Senator Abetz? There being no objection, it is so ordered.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.49 am)—The Greens have indicated that we will be taking this package seriously. We have been taking it seriously for the last week, and I can say to the committee that we are still engaged in discussions with the government about changes to it which we believe would improve the outcome, in particular the employment prospects from the delivery of the $42 billion package.

Our greatest concern is with the tax bonus component of the package. That is some several billion dollars of bonus whereby $950 will be directed to all taxpayers below $80,000 and then a lesser bonus to taxpayers who have a taxable income below $100,000. It has no condition. It has no direction. It is
not targeted in any specific way. What we are generally saying to the government is that it can target expenditure in this package better without slowing down the money going into the economy.

But let me go back to the setting of this package. We are in an international economic crisis. The government is moving to stimulate the economy through this mechanism. The real question is about the size of the package. We have listened in the committee stages to Treasury as well as to a number of other economists. At the end of the day, you cannot say exactly how big the package should be. It is our asseveration that government and Treasury have a high responsibility to be able to deliver a package which is going to prevent this country going into recession next year. And when you look at the projections that is what the package is about. We are projected to go into a technical recession next year. That has huge ramifications for jobs in this country.

We are dealing in this legislation with the potential loss of hundreds of thousands of Australian jobs. I can indicate to the committee that one of the immediate components we want to see put into this legislation is the removal of the liquid assets test for Australians who are being sacked through no fault of their own—those who are losing their jobs because of the economic crisis—so that they do not have to spend their savings before they are able to get assistance from government. It is a small item but it has a huge impact on those who are losing their jobs and it is a critical one for this committee to be looking at.

So we will potentially have a number of amendments to put to the committee as soon as possible. But let me be honest about this. We are discussing the matter with government; it is happening while the committee is sitting to deliberate on this matter. I do not like that particularly, but we have set a completion time on this of midnight tomorrow night. We will try everything we can to get to this committee as soon as we can any of the changes to the package that we have agreed to, or come up with or come to some sort of cognisance about with the government.

The CHAIRMAN—I will now call Senator Abetz as he has a technical amendment.

Senator ABETZ (Tasmania) (9.53 am)—Could I ask who on behalf of the government is handling the bill? I think it might be Senator Carr at the moment.

Senator LUDWIG (Queensland—Minister for Human Services) (9.53 am)—I will be handling it.

Senator ABETZ (Tasmania) (9.54 am)—Can I make an intervention at this stage for the orderly conduct of the committee stages. I understand that a number of Labor senators want to, in effect, give speeches during the committee stages. That is their right and it is appropriate, should they want to do so. But if that is the case what I am suggesting to the committee is that possibly a time limit be allocated to that because, for example, if I were to ask a question of the minister it would then be open, if the minister did not respond, for a Labor senator to get up and give a 10- or 15-minute speech—whatever the time allocation is—and I think it would be very disjointed. Some might say that this tactic—if that is right—is a bit of a filibuster of their own bill. I will not go down that track other than to say that, for the orderly conduct of the committee stages, if people do want to give speeches can we get them out of the way by arrangement and by agreement at the beginning so that we can then have questions and answers, because I have a whole host of basically one-line questions that I want to ask of the government. But if they are being interrupted with what I am sure will be very worthwhile contributions by
government senators then it just seems that the flow will be lost. I am wondering whether I could have the indulgence of Senator Ludwig for some sort of agreement on that. If we cannot, then so be it and we will try to proceed, but I think it will be disjointed for everybody.

The CHAIRMAN—That is beyond my control. The rules of the committee are set in standing orders. I suggest that you have discussions with Senator Ludwig and see if you can come to some arrangement privately. But it is certainly not something I can control from the chair.

Senator LUDWIG (Queensland—Minister for Human Services) (9.56 am)—To give a short response: we are here, we are in committee and we are happy to deal with the bills as a package. I suggested an order; Senator Abetz asked for some general matters to be dealt with first and the government is ready to proceed.

Senator ABETZ (Tasmania) (9.56 am)—All right, in that case if we are going to deal with general matters first can I ask a few questions then to get the show underway. I first of all refer the minister to the document Updated Economic and Fiscal Outlook dated February 2009. I was wondering if the minister could confirm for us that on page 71 the reference to the Department of Treasury should in fact read ‘the Department of Families, Housing, Community Services and Indigenous Affairs’? I am also wondering whether the minister can confirm that in the documentation of the UEFO there is in fact a $97 million error. If he can confirm those two things for us, can I ask if an erratum or a corrigendum has been provided and if there are any other matters that need to be corrected in what I would consider to be the foundation document of this package of bills that is currently before us.

Senator LUDWIG (Queensland—Minister for Human Services) (9.57 am)—In dealing with some of these questions I will have to refer to the relevant officials who will deal with the various parts. In going to specifics such as that question, I of course always bear in my mind whether they should be part of the household stimulus package or each of the appropriations. But for the more general question I can take it on notice and provide an answer in a very short while. We are obviously keen to start dealing with them and we will be able to be responsive as soon as I can get an answer in relation to those specific questions.

Senator ABETZ (Tasmania) (9.58 am)—Can I inquire—and this is no criticism—as to whether the minister is waiting on departmental advisers, because if he is might I respectfully suggest that, since Senator Polley is ready to give a speech, we allow her to proceed until the government is ready with its officials to answer questions.

Senator POLLEY (Tasmania) (9.59 am)—I rise to speak on the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and the related bills. This is a critical set of bills. I will first make some general comments. I would like to initially place on my record my thanks to the secretariat and the staff involved—and I understand that there were some additional staff—in helping us while we analysed this group of bills. They enabled us to present our final report of the Senate Standing Committee on Finance and Public Administration. I would like to thank Christine Macdonald and her team.

Although we are here to do our jobs and we continued through this week to do them, and will continue to proceed to do the jobs that we are here and have responsibility for, I must say that, in light of the tragedies in Victoria, it was difficult. The cooperation I re-
ceived from committee members was greatly appreciated. I am sure that, in light of the circumstances in Victoria, the community would understand that our minds were elsewhere thinking of not only those people who lost their lives and the victims in hospitals but also the emergency service personnel. As has been said around the corridors of this place so many times, it is an unbelievable situation. It is one that we as a country will be continuing to deal with for, I would suggest, many years to come.

It is appropriate to touch on the hearings that we had and to place on record my thanks to the witnesses, particularly for those who gave evidence on Monday, when we had to reschedule the hearings. The evidence that was brought forward to us enabled us to bring down our report and recommend that this group of bills be passed as a matter of urgency. Without doubt, we are facing the most unprecedented times that the Australian economy has had to deal with in my lifetime. This legislation is very important to the Australian economy and to Australian families and so it is important that we deal with this as quickly as possible.

I stand here today as a proud member of the nation-building Australian Labor Party and a member of the Rudd Labor government, which is putting in place measures and strategies to enable Australia to deal effectively and decisively with the global financial crisis. This nation and this government face important choices in our response to the global financial crisis, and the Rudd government has responded in a way that gives Australians hope that one day—when the global crisis has passed—a stronger, financially secure and well-equipped nation will remain.

The government has proposed measures which will deliver $28.8 billion in direct investment in schools, housing, roads and other essential local infrastructure, including a $2.7 billion temporary tax rebate expansion for small business to encourage private sector investment. It will also provide $12.7 billion in direct payments to low- and middle-income earners. Although there was some criticism from some members during our inquiry in relation to the funding going to our primary schools, I am sure that all elected members across this country—and, I know, those at state level—appreciate the fact that that injection of funds is greatly needed by our primary schools across Tasmania. I am very proud of the fact that we have chosen that as one of our key planks.

The people of Tasmania and of Australia have had enough of the federal opposition and can see that they are now so out of touch with ordinary Australians that they are withholding essential stimulus measures designed to not only boost the economy and support jobs but also deliver relief to families and working Australians doing it tough. Only the Rudd Labor government has the best interests of Australia and Australians at the centre of their economic strategy. Malcolm Turnbull and the opposition have been trying to make political opportunities for themselves. Australia is looking for leadership at this critical time.

What the Australian people will remember is that it was this government that took decisive action in the face of a worsening global crisis that has already seen the United States, the United Kingdom, Germany and Japan fall into recession. These are tough economic times and the Nation Building and Jobs Plan strikes the right balance between supporting growth and jobs now and delivering the investments needed to strengthen the economy for the long term. We cannot afford to sit back and wait and see what happens.

The economic crisis started in the United States on Wall Street and has spread across
the world, slowing growth dramatically in China. It has caused a rapid unwinding of the mining boom, with major consequences for Australian revenues, growth and jobs. That is why this decisive action by the Rudd government is so critical for supporting economic growth and Australian jobs.

The Nation Building and Jobs Plan builds on the measures already put in place to support economic activity and jobs. The $10.4 billion Economic Security Strategy and the $300 million program to build local community infrastructure in local council areas are supporting growth in the short term. The $15.2 billion COAG funding package and the $4.7 billion nation-building package will strengthen investment in road, rail, health and education infrastructure—all key areas of our economy. Australia is better placed than most countries to respond to this crisis. We all need to work in a cooperative manner to get through these difficult times; we all have to pull together.

The insulation packages that are available for Australian families and the rebates of $1,600 for solar hot water will, I believe, be very welcomed within the community. At times there were some flippant comments in relation to Pink Batts, but generally the Australian community has acknowledged that there are issues in relation to climate change. They want leadership on this issue and this is an excellent part of the package that the Rudd government is putting forward.

Families will receive a back-to-school bonus of $950 to help with the costs of children returning to school. Students and people looking for work will receive a training and learning bonus of $950 to support their study costs. Farmers and small businesses affected by the drought will receive a hardship payment of $950. I believe those packages will be very well received within the community. Those 8.7 million Australians whose taxable income was less than $100,000 in 2007-08 will also receive up to $950.

This is an economy-boosting plan from a government that is determined to take the decisive action needed to support families and jobs. Under the plan, 2.7 million school-age children attract a $950 back-to-school bonus; 1.5 million single-income family households get a $950 single-income family bonus; and families relying on the housing and construction sectors can feel a little more confident knowing that 21,000 jobs are going to be supported by the government’s $6.4 billion investment in the social housing sector. When ACOSS and representatives of Catholic and Anglican church groups—those that are at the coalface of dealing with housing issues on a daily basis—appeared before the committee, they were overwhelmingly in support of this package. I think it was fair to say that Frank Quinlan of Catholic Social Services Australia was very clear in his support for this package. He sees this as a stimulus package and not yet part of a rescue package that he believes we need to secure the future for low-income families and those most in need in our community.

I take the example of the 1.5 million single-income family households who will receive a $950 single-income family bonus. This will directly benefit 39,662 families in Tasmania alone and will mean so much to those who are doing it tough, even without the global recession that is looming. In my state of Tasmania, 6,135 young people on youth allowance and 20,879 on Newstart allowance will receive the training and learning bonus. These are the people that the Leader of the Opposition wants to attack and from whom he wants to take away the support that this stimulus package will provide. These are the people that need this money, and they need it as soon as possible.
It concerns me that the opposition has not been prepared to support our package and these bills. I believe that that is a decision for them. We have to show leadership, and I believe the Prime Minister has shown great strength in taking on this global financial crisis with the package that has been put together. Both the Prime Minister and the Treasurer should be congratulated. Industry groups and social organisations across the country have spoken out in support of the need for these stimulus measures. Overwhelmingly, they are saying that we need it, and we need it now, and there should be no delay. These measures have the wide-ranging support of groups like the Business Council of Australia and Anglicare. They all understand why this plan needs to be supported.

The global economic outlook has deteriorated significantly and the weight of the global recession is now bearing down on the Australian economy. Without further significant and timely policy stimulus, Australia would face a more severe slowdown. These stimulus measures are essential to ensure that Australian working families and the Australian economy are in as strong a position as possible going into this global recession. We will place ourselves so that we will bounce out of it so much more quickly than our international counterparts.

The International Monetary Fund has cut its forecasts for global growth three times in just four months and is now expecting a deep global recession. Economic growth is expected to slow to one per cent in 2008-09 and ¾ of a per cent in 2009-10. Employment growth is forecast to be hard hit by the global recession, even with the solid boost provided by the fiscal stimulus. The unemployment rate is forecast to be seven per cent by June 2010. This will unfortunately not be able to stop some people having to lose their jobs but we will certainly strengthen our resolve to protect as many jobs as we possibly can.

It is important for senators to note that Australia is better placed than most other economies, but we cannot completely resist the pull of global economic forces. That is why the Rudd government acted decisively to bolster Australia’s economic growth and support jobs during this crisis. I say again that it is so important and significant that we act in a very timely manner on these bills. Nobody can be certain whether this package will prevent recession but we can be certain that growth would be much weaker and unemployment higher if we do not act. We will not sit idly by and watch this unfold; we the Rudd Labor government have taken action to secure and retain Australian jobs and the Australian economy.

The Nation Building and Jobs Plan strikes the right balance between supporting growth and jobs now and delivering the lasting investments needed to strengthen the economy for the future. The International Labour Organisation is already predicting that unemployment could rise by up to 50 million as a result of the global recession. Again, I draw senators’ attention to this point: it is certain that employment growth would be much weaker without this stimulus package.

As I said earlier, almost all advanced economies around the world are already in recession, including the United States, the United Kingdom and Japan. I understand that President Obama is now encouraging his colleagues in the House of Representatives and the Senate to be sure that his package is passed as a matter of urgency. China and India are now slowing sharply, and the global mining boom has already taken into effect the financial crisis. I can appreciate this also from a personal point of view as my two sons-in-law both work in that industry. One is the manager of a laboratory—(Time expired)
Senator BOYCE (Queensland) (10.14 am)—The coalition has no objection whatsoever to a stimulus package to assist the Australian community to get through the beginnings of the global financial crisis as it affects Australia. What we do have a lot of objections to are some of the crazy aspects of this package that have been put forward. The Leader of the Opposition has told the government on numerous occasions that we are more than happy to discuss a prudent, sensible package that will assist in genuinely helping to build and continue to build the Australian economy. But this package is not the way to do it.

I would like to speak to a couple of the measures that are proposed, particularly in Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009. The first one relates to the package designed to put insulation into 2.7 million existing homes in Australia. I will talk a little bit about how foolish this package is and how distorting this package is. To do that, I would like to go back and look at what happened to the rainwater tank industry in Australia. I think everyone would remember that rainwater tank rebates were certainly the flavour of the month, at all levels of government, over the past five years in various forms. Most of these rebates have been withdrawn from residential housing because they got too expensive for the groups providing them or simply because there was nothing left to do in that area.

The rainwater tank industry, at its height, turned over $1.7 billion. We are talking about less than two years ago. It now turns over about half that amount. And perhaps we should look a little bit at the industry itself. There are many venerable, old and solid companies working in this area. They have provided tanks, primarily to the rural and semi-rural markets, for generations. But the rainwater tank rebate brought lots and lots of other players into this market. Some of them were people cashing in their superannuation and buying machines to make rainwater tanks. They were using machines they did not know how to operate and materials they did not how to mould to make products for a market they did not understand. A lot of people lost much of their superannuation through this. I am aware of three people that this happened to.

But there was another segment of this market—some rainwater tank installers who were, in anyone’s terms, ‘cowboys’. They got into the industry because they saw that it was a way to make a buck. They knew as much about rainwater tanks and rainwater tank installation as an accountant would; they knew nothing about the industry. Most of them, dozens and dozens of them, in every capital city in Australia have now failed. Of course, when they failed they did not just lose their own money; they left suppliers with debts that will never be paid and they left customers with orders for tanks that have been paid for but will never be installed. So the damage and distortion caused by concentrating your rebates into one area of the energy efficiency equation and the water efficiency equation is foolish. That is well demonstrated and it has been very recently demonstrated by the damage done to the rainwater tank manufacturers, suppliers and installers of Australia by rebates that come and go at the whim of various levels of government.

The same, of course, is going to happen with the insulation installers. One business person in Brisbane jokingly commented to me this week: ‘Oh well, we know where all the rainwater tank installers will turn up next. They’ll turn up as insulation installers.’ Of course, half of these are people who rushed out and got a training certificate under the training levy introduced by the
Hawke government. So can we please begin
to realise that one-off approaches that target
one little spot of an industry are worse than
useless, they are damaging. There is no point
whatsoever in concentrating on just this one
little part of the energy efficiency and water
efficiency equation. When you look at the
proposal, we are talking about all the homes
that are not currently insulated, 2.7 million
homes, getting insulation over a 2 ½ year
period. Of course this is going to cause a
frenzy of activity in the market, but for what
purpose? It is one small section of a market.
It will attract, as I said, people who do not
have a clue what they are doing, and it will
attract people who are dishonest. We will
have dozens and dozens of stories of pen-
sioners who are ripped off by people who go
up into their roofs, apparently fiddle around
for a while and then leave. It will be months
before they discover that they did not get
what they paid for; they will be lucky if they
get anything. So even the effect on energy
efficiency could in many cases be limited.

The need to develop energy and water ef-
ficiency packages for housing is a very great
need and it is also a very right way to at-
tempt to stimulate the economy. But you do
not do it by focusing on one tiny little seg-
ment of it. Let us look, for example, at the
New South Wales government—which, with
its current woeful performance, is not exactly
the government you would think to look at.
About eight years ago the New South Wales
government developed a policy called
BASIX. It is a list of things that home own-
ers, home builders, can have in their house
that will give them varying degrees of energy
and water efficiency. It assesses each house-
hold design against energy and water reduc-
tion targets. Every new residence must meet
the targets by putting together a sensible list
of energy and water efficient products for
that house.

BASIX does not limit itself to one industry
but spreads the demand across energy and
water efficiency initiatives to any industry
involved in producing products that increase
efficiency. The homeowner ultimately makes
the decision as to which product would be
installed in the new home, so it encourages
the orderly development of a number of
markets across the energy and water effi-
ciency production area. It does not skew the
market in one direction. It encourages com-
petition between products that are produced
for energy and water efficiency and, by do-
ing so in an orderly fashion, where people
can see that the market will be sustained, it
encourages innovation and effective and ef-
ficient market pricing. The other thing about
the BASIX program is that it incorporates
regional variations into the rating system. It
looks at things like the climate, the soil type,
the rainfall and the evaporation rates in par-
ticular areas when determining what the effi-
ciency targets for new homes in a particular
region might be. It does not just concentrate
on one product.

The New South Wales government states
that BASIX provides greater market cer-
tainty for sustainable industries such as
manufacturers of solar hot water systems,
rainwater tanks, insulation, performance
glass and stormwater and waste water sys-
tems. I had an email during the week from a
gentleman suggesting that, if we are worried
about energy efficiency for houses, better
curtains would be a good starting point for
many houses. You might not be surprised to
hear that this gentleman actually makes and
sells curtains. Nevertheless, he has a point. If
you cannot afford the curtains that block
sunlight to keep your house cool or the cur-
tains that hold in heat to keep your house
warm, there is very little point in having the
insulation in the roof. The two go together.

What would have been a vaguely sensible
way to go about this stimulus would have
been to develop a list of products that house-
holders and homeowners could have chosen from as to what they particularly saw to be the best option for improving the energy or water efficiency of their home. It could have been developed on exactly the same basis as this, with a part subsidy paid depending on which product was chosen off the list. This would have had the benefit of assisting the construction supply industry in an orderly and sensible way, not just encouraging every cowboy in town who went broke on the last fad to become an insulation installer. I should perhaps add here that in that industry there have been many, many good participants for a long time, but they and their industry will be diminished by the cowboys who have no doubt already set themselves up, ready to make a motza out of yet another poorly planned scheme.

I would also like to talk briefly in the time I have left about the proposal to put extra funding into schools. Again, from a practical perspective, there are some very bizarre things being said about this program. I think we have already covered many of the issues: what does a school that has these facilities do, and what does a school do that does not have the land to do this? We have already talked about the fact that there is not a lot of encouragement to be gained from the way the government tried to go about rolling out computers in schools for how they will manage to handle this schools program.

But I think one of the most bizarre things I have heard was evidence recently that it is the small builders who will build the school halls and libraries and the large builders who will build the houses covered by the social housing component. I am not quite sure what the department of housing thinks a small builder looks like, but certainly I am aware of thousands and thousands of small builders who run one-man businesses. They would employ perhaps one other person and an apprentice—that would be it. These are not the companies who are going to build the school halls and libraries. It is going to be the much larger builders than that who will win those contracts. For a start, those small builders do not even have the insurance cover that would be necessary to build those school halls and libraries.

So the group of builders that we are most trying to help, the people who employ one or two others but will not employ one or two others if they do not continue to have work, are apparently going to be left out of this scheme—completely, according to the department of housing’s view on it. Perhaps they would come in as employees of other builders, but once again we have this complete skewing of how an industry will work. We are going to pump over $5 billion or $6 billion into this for two years, and then what? We will build up businesses just to let them fall down again. There is no attempt whatsoever to see this as a gradual increase or a sustainable increase. It will just keep going up and down like a yoyo.

One hopes that there can be some jobs dragged into the market if this package is passed, but again the funding is all at the wrong end. We have a small amount of funding coming out quickly and we have a large amount of funding coming out that the government thinks might hit the ground within 12 months but which will be very lucky to hit the ground within two years. By that stage, the economy will need twice as much stimulating as it currently does if it is to survive. It is a bizarre package. It needs radical overhaul, and until it is overhauled and until the government is prepared to discuss the issue with the coalition we will be absolutely opposing all the very poor elements of this package.
Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.29 am)—I will respond to the question that Senator Abetz raised. Before I do, regarding a couple of matters that Senator Boyce raised, I have asked for information as to the efficiency savings from a building where insulation is installed but there are no curtains and the efficiency savings that result where there are curtains. I will attempt to obtain some specific response—the officials are not nodding, so we should get a response on that. I understand broadly that there is a saving whether there are or are not curtains, but I will see if I can get some specifics on that.

I turn to the issue raised by Senator Abetz, which referred to page 71 of the UEFO. I acknowledge that Senator Abetz raised this at the committee hearing on 6 February. On page 2 of the Hansard Senator Abetz questioned Mr Geoff Leeper, deputy secretary of FaHCSIA:

Senator ABETZ—Can I take you to page 71 of the UEFO. At the very top of that page, I am told that the Department of the Treasury is getting that money, if I have the figures right.

Mr Leeper—I have that page in front of me. It certainly says Treasury, but the money is being appropriated to FaHCSIA.

Senator ABETZ—So the money is being appropriated to FaHCSIA—

Mr Leeper—that is my understanding, and it is in our portfolio supplement additional estimates statements at page 8. That is where our part of the appropriation bills is reconciled.

As Senator Abetz noted, on page 71 of the Updated Economic and Fiscal Outlook, which I have in front of me, it does indicate that the Department of the Treasury would receive funding for reduced homelessness and meeting priority needs. Then, on page 8 of FaHCSIA’s portfolio supplement, it indicates they would receive the funding. There is no error. The UEFO measure description was drafted to reflect what is expected to happen in practice in the post-COAG Commonwealth-state funding arrangements for this type of program. However, in drafting the appropriations legislation it was considered prudent to allocate the appropriation to the relevant portfolio, which in this case is FaHCSIA, until the legislation necessary to implement the new Commonwealth-state funding arrangements has been passed into law. The new intergovernmental agreement is effective from 1 January 2009 and provides that all payments to the states will be made through one-monthly payments from the Commonwealth Treasury to state treasuries. However, the intergovernmental agreement also provides for a transitional period to 30 June 2009 in recognition that it will take time to implement fully the new arrangements.

I am informed, Senator Abetz, that legislation to implement the new intergovernmental agreement will be introduced by the Treasurer this week in the House of Representatives. However, because of the obviously urgent nature of the Nation Building and Jobs Plan, rather than waiting for that new framework these appropriations for payments to the states through parliament are consistent with the current method in current law of appropriating payments to the states rather than under the new federal financial framework. This means that appropriations are allocated to the relevant portfolio departments rather than to the Treasury.

Further, it is prudent on the part of the government not to pre-empt passage of the new arrangement through parliament. When the federal financial relations bill is introduced by the Treasurer—as I have indicated, that will be this week—it will provide replacement appropriations for payments to the states and those appropriations will be consistent with the new federal financial framework.
Senator ABETZ (Tasmania) (10.34 am)—I have a number of follow-up questions. Clearly, it is unsustainable for the government to assert that no error has been made. When the legislative framework on which they are relying has not passed the parliament, to suggest that they are not pre-empting is in fact incorrect. Either this document pre-empts the passing of that legislation, and is wrong on the current structure of the legislative framework in this country, or it reflects current practice. You cannot have it both ways, I would have thought. The appropriation bills should match up with the UEFO, and if this, rather than a mistake, was the explanation one would have anticipated a footnote at the very least in relation to the UEFO to explain this.

It seems passing strange that Senator Sherry told us that the legislation somehow had been carried and came into effect on 1 January this year but that there is now another bill around the place that we still have to pass. I am not sure where that fits in, but given that this is a government that knows everything and never makes mistakes I will simply put on record that any objective observer of this document in comparison to the appropriation bills will see that there is an error in the documentation. But, of course, Mr Rudd and the new regime are not willing to make any acknowledgement that they might be fallible.

I refer the minister to page 67 of the UEFO and ask whether there is some new intergovernmental agreement that is about to be legislated which would explain the $97 million for 2009-10 on that page under the heading ‘Nation Building and Jobs Plan—Single Income Family Bonus—One-off Lump Sum Payment of $950 per FTB-B Family’.

Senator JACINTA COLLINS (Victoria) (10.37 am)—While the government seeks to respond to Senator Abetz’s question on this matter, I might use the occasion of the committee stage to reflect on some comments that I did not have the opportunity to address earlier. Senator Abetz has raised a question which we dealt with during the committee hearing stage, so I know the information will shortly be available to him. Rather than waste the Senate’s time, I think this is probably a good opportunity for me to make some general comments in relation to the overall package.

Firstly, I would like to take a brief moment to reflect on the situation in Victoria and the disaster that has occurred there, which is, I am sure, dampening the mood of all senators in this place, particularly those, like me, from Victoria. The tragedies that have occurred have touched many, if not almost all, of us who know people who have been involved. The circumstances around the crisis and the issues that government faces in managing the crisis into the future are another significant challenge for us, in connection with the issues that we are dealing with here as well. The Prime Minister made it clear overnight that the federal government is looking at, quite aside from this stimulus package, arrangements to help rebuild Victoria, along with the Victorian government. I applaud those efforts. The general stimulus that the federal government is looking at for the country as a whole will also be a useful vehicle. But, as the Prime Minister made clear overnight, a response to the Victorian situation is a very important and critical matter that the federal government will be dealing with quite separately.

I want in this discussion to go back to the broad framework of what we are dealing with in the stimulus package. Sitting here listening to Senator Boyce and some of the other opposition speeches in the second reading debate, I became quite concerned that a number of senators in this place really do not
seem to comprehend the broader context of what we face. That was certainly the case in discussions about the debt situation with respect to this package. There was a lack of understanding of where Australia sits in the global environment in terms of the debt that is being managed in this process. There were also a range of other elements mentioned that I will take the opportunity to deal with now.

Senator Coonan, in our committee hearings, went to what has been called the ‘three Ts’. I think they are a very helpful summary of what we are dealing with. I could spend several minutes on them now, but I might deal with them a little bit later and, firstly, go through why we have this stimulus package, this urgent and very significant need to act. Indeed, Senator Polley highlighted some of those issues in her comments earlier. We cannot afford not to act and not to act very quickly. That is mainstream international economic advice. You would be struggling very seriously to find someone who does not agree that that is what we need to do. That is the first point.

Going back to the three Ts, let us flesh them out a little bit further, even going back to Senator Boyce’s points. When you go back and reflect on those three Ts, you understand why the package has been designed as it has been. The first of them is: timely. During discussion in the committee hearings we had a lot of reflection on the sorts of delivery mechanisms that were being used, that one-off payments were being used and that there might be more effective ways of generating consumption. There were a whole range of issues raised that seemed to miss one critical point: what we are doing now must be immediate. It needs to be immediate. The tax bonuses and the payments based on family tax benefit A and family tax benefit B are our delivery mechanisms to ensure that that boost to consumption can happen now. It is our most effective, most efficient way of dealing with the next T, which is: targeted. This is targeted to those households that we know will principally consume the payments.

Before I move on to the second T in detail, I will talk about the other elements of ‘timely’. We have been asked questions such as: why are we looking at social infrastructure rather than what is termed economic infrastructure? Why are we looking at schools as opposed to railways, road projects and suchlike? That is not to deny that we do have road projects that will be carried out through the local government arrangements in this package. But the point that seems to have been missed by a number of senators is that these social infrastructure projects are the ones that we are most likely to be able to get out quickly. The term ‘shovel-ready’ has been used. But it is not just the shovel-ready aspect that helps us get these projects out quickly; it is because they are already in the community. They can activate the community and they are more likely to be labour intensive and generate those jobs that we know we will need.

Going to the points on jobs, I despair at the level of semantics that has occurred in the discussion on this package to date. We listen to the economists trying to predict how many jobs will be created by various measures. Probably no-one knows the full scope of the unemployment that we are going to confront. We are focused on injecting into the economy measures that will best support people currently in employment and on developing projects that will employ more people, pick up those who end up being displaced or prevent people being displaced at all. Any attempt to encapsulate that in an estimate of numbers is a very, very risky exercise. There are assumptions that various economists make and models that they use, and I think most of us understand there are probably more than a handful of different
ways to estimate some of these things. But if you go back to the basics, which is what this package is designed to do, they are about what we can do now which will be timely, targeted and temporary. And that third point—temporary—is because we are mindful of the debt situation. We want to give the economy a boost, but we do not want it to be done in such a way that we carry the burden into the future. That is the point about being temporary. That is why the one-off payments have been made. That is why we are putting them out as quickly as we possibly can. And it is those payments which we anticipate will boost the economy and help Australia through this global financial crisis.

I was astounded to hear some of the opposition speeches in the second reading debate suggesting that we are in this mess because of the current Labor government. I do not know how any opposition senator can plausibly suggest such a thing. Are they in absolute denial? As well as climate change sceptic, should we now coin the description of ‘global financial crisis sceptic’? The content of the opposition speeches on this package really left me astounded. Even in this committee stage debate, we heard the suggestion from Senator Boyce that the government needs to talk to the opposition because they are the ones with the ideas. Anyone who listened to the second reading discussion on this bill knows the nature of those ideas. As I said, the suggestion that we are in this mess because we have a Labor government is incredible. I suspect opposition senators might want to reconsider the rhetoric that they pump into this debate. Fortunately, the Senate has responded appropriately to the circumstances that currently face us because of the natural disasters. Perhaps opposition senators should take stock and reflect more seriously about the global financial crisis and what some of their speeches or contributions will look like in six months time.

Let us apply some of that to some of the other issues that have been raised during the course of the committee consideration. The scope of the individual payments was an issue that was canvassed. Senator Fielding, for instance, came forth with a range of stories of people who will miss out. Unfortunately, in the delivery of social payments, benefits and bonuses there will always be what economists call outliers. No delivery mechanism is perfect. We know that. In much the same way, we know there will always be some level—hopefully, a very small level—of misuse in the delivery of services. Senator Boyce talked about the potential misuse of the insulation arrangements. We know these things occur. The job of government is to manage those and make them as minimal as possible. And we know that, because of the urgency of this matter, we are yet to develop some of the guidelines for the implementation of some of these schemes. But I have confidence that the relevant Commonwealth departments that are dealing with these matters will be very mindful of the sorts of concerns that Senator Boyce expressed.

As an aside, because I also got the email about insulation from the curtain maker, I would say that perhaps an education program might not hurt as part of improving people’s domestic energy consumption and response to heat. When Senator Boyce was talking about insulation I reflected that not only had I received the same email but that on the day of the disaster in Victoria I was home and my husband put two thick blankets and doonas over our reasonably thick curtains in the one main room of our house that was not well cooled. It is amazing how you can improvise if you have the basic knowledge about what works effectively. I also reflected that we have heard in discussions on the radio that wall insulation is often quite helpful as well—something I think I aspire to for the second storey in our house. But the basic
facts about the insulation package are that it will help support Australian jobs—we know that—and that it is targeted at those Australian households that lack ceiling insulation, which is a pretty critical point. If you are going to have a program that targets the most basic need for energy efficient homes, what would be one of the most critical issues for energy efficiency and managing extremes in the climate? Certainly there are other measures you can take, but the most basic of considerations is ceiling insulation.

Senator Boyce says there are other things we should consider and other things we should do. There is absolutely no doubt about that. But at some point you have to accept that we need to act quickly, act immediately, act now. We cannot afford the time involved for the opposition to get their act together and make sensible proposals here. If the opposition had a serious plan that outlined their claim—and that is all it is at this stage: a claim—that there is a better way, then that might be worthy of some general public consideration. But there is no opposition plan about a better way to achieve what this package does. This package will deliver the boost to our economy in a timely, targeted and temporary fashion. (Time expired)

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.52 am)—I want to respond to Senator Abetz’s point and also hopefully cover off—if I can use the expression—on the curtains issue. Senator Abetz, you were at the hearing. Looking at the transcript of the Standing Committee on Finance and Public Administration, pages 41 and 42 is where the explanation was given. In summary, because I do not want to go right through the exchange that occurred, Treasury noted to the committee that the $97 million should not have been included in the table so that the appropriation bills were correct.

On the curtain issue, I have requested some information from Treasury. Do we have studies on curtains versus insulation? Yes, Treasury does. We have information on different types of energy efficiency treatments for households including draught-proofing, curtains and insulation. Consultants and latest industry advice confirm that insulation and solar hot water are the most cost-effective treatments across the board to decrease household energy use.

I think Senator Collins is quite right: there is only so much you can do, certainly theoretically. If we wanted to have totally energy-efficient homes in Australia, many would have to rebuild their entire homes. There is only so much government can do. We have put forward what has been identified as the most effective energy efficiency treatment that is practical in the circumstances—and that is insulation.

On this issue of energy efficient homes, there were three other questions posed by senators to which no response was given at the committee hearings and I will give a response now. Senator Abetz and Senator Milne, there is a question each here, and Senator Joyce also asked a question about insulation matters, so I can provide answers to those questions.

Senator Abetz—Have they been tabled?
Senator SHERRY—They haven’t, Senator Abetz. I have just been handed them. I did clarify because I wanted to—

Senator Abetz—Can they be incorporated and circulated?

Senator SHERRY—Yes, I will do that. Just to run through, Senator Joyce asked about the 2.2 million homes anticipated to be insulated; what was the sample size? We have got a response to that; I will have that circulated. Senator Abetz, your question: did the projected cost of insulation measures and low-emission plans include all aged-care
facilities? The answer is yes. Senator Milne asked about the average Australian house size and there are a couple of paragraphs, so I will have that sent around to you as soon as possible. If I could hopefully conclude the issue—

The TEMPORARY CHAIRMAN (Senator Carol Brown)—Minister, would you like to seek leave to incorporate your answers into Hansard?

Senator SHERRY—Yes, but the senators may want to see the answers now.

The TEMPORARY CHAIRMAN—We can circulate them as well.

Leave granted.

The answers read as follows—

Energy Efficient Homes Package
Responses to questions arising during the Senate Enquiry

1. Senator Joyce asked:
In relation to the 2.2 million homes anticipated for insulation - what was the sample size used in the ABS survey to determine current levels of household insulation?

Answer:
The 2008 Australian Bureau of Statistics publication, Environmental Issues: Energy Use and Conservation, used to source information about insulation distribution across the household sector was a supplement survey to the monthly Labour Force Survey, with 12,965 fully responding households.

2. Senator ABETZ asked:
Did the projected cost of the insulation measures (insulation and Low Emissions Plan for Renters) include all the aged-care facilities?

Answer:
Yes.

3. Senator MILNE asked:
What is the average Australian house size?

Answer:
The current average includes new housing stock that have been subject to more stringent building code provisions with higher levels of insulation. The estimated average size of houses to be insulated through this measure is 160 square metres.

The last major survey of housing characteristics was undertaken by the ABS in 1986. The 1986 National Energy Survey found the average floor size of the detached housing stock was 119.3m2. From this time, only statistics on the average floor size of new homes has been collected. These have shown significant increases in floor size over time for the typical Australian home, with the average floor size of new homes built in 2005 at 230m2. For the proposed program the average floor size was estimated at 160m2. The program will primarily be applicable to older housing stock which was not subject to more stringent building code provisions resulting in higher levels of insulation in houses built in the last decade. The estimate of average applicable floor size for the program is also supported by analysis work commissioned by the Department of the Environment, Water, Heritage and the Arts from Energy Efficient Strategies in the publication “Energy Use in the Residential Sector: 1986-2020” published in 2008. The modelling for the publication was peer reviewed by an independent panel of experts across the energy efficiency field.

Senator SHERRY—I have just one final point before senators raise other issues. I come back to the curtain issue because I think, with due respect to Senator Boyce, that curtains, and shutting the curtains, is an appropriate way of summing up the opposition’s approach to the current economic crisis: shut the curtains and ignore it. That is their approach: pull down the blinds, shut the curtains.

Senator Abetz—How far are we going to draw the analogies?

Senator SHERRY—I am not going to be lengthy, Senator Abetz, in my response but I think I can make an occasional observation. The observation of the shadow Treasurer, Ms Bishop on Radio National was: ‘We should wait to see how this global recession pans out and how it affects Australia.’ To sit and ‘wait to see’ is quite an extraordinary ap-
proach from the shadow Treasurer, Ms Bishop.

This is what I refer to as the ‘shut the blinds, close the curtains’ approach to a very significant and severe world financial and economic crisis. And the best that the shadow Treasurer, Ms Bishop, can come up with is the curtain defence: just do nothing, wait and see, let us see how bad it gets. Clearly, things are going to get worse—how much worse? But the catchcry, and the explanation, is the curtain defence: shut your eyes, do nothing. It is quite an extraordinary approach from the shadow Treasurer, Ms Bishop: wait and see. So we have to wait and see the impacts of slower economic growth, higher unemployment, and the significant social dislocation that will bring. And the answer of the shadow Treasurer, Ms Bishop, is to wait and see how bad it gets before anything is done. It is quite an extraordinary attitude. That attitude led to the Great Depression. I was not alive when the Great Depression was around, fortunately.

Senator Abetz—I thought it was the neo-liberals, but there you go.

Senator Sherry—It was that as well, Senator Abetz. This was the attitude of conservatives during the Great Depression: wait and see, do nothing, the market will sort it out. That is how we got into the Great Depression. I did not live through the Great Depression but I certainly heard enough stories. I certainly heard the lectures from my father about the outcome of the Great Depression.

This is a decisive and strong Labor government that believes in intervening when markets fail—as they clearly have in the United States and Europe—when the financial systems face collapse, when the economies of most comparable countries go into recession and when the China boom ends. With all of this, you cannot shut the curtains and ignore it; you have got to act strongly and decisively to underpin the Australian economy and employment, and that is what this package does.

Senator Milne (Tasmania) (11.00 am)—I rise to make some remarks on the energy efficiency part of the package. I welcome the retrofit of more than two million homes with ceiling insulation and solar hot water. However, if the government had sought some advice in a broader context, we might have gone a lot further in maximising the jobs outcome and the manufacturing outcome. I will start by saying that the remarks in the chamber today about curtains are pertinent, because we need around the country a group of people trained as energy auditors. People do not know the best thing to do in their home because in many cases they have not really thought about it. Energy prices are going to go up by virtue of the carbon price, and people are going to be sitting around in their homes saying, ‘I’m just not sure what the best thing to do in my house is.’ The first thing we need to do is have TAFE colleges around the country offer courses for people to train as energy auditors. It is not something that you need a string of degrees to do. You can be taught how to do an energy audit of a home.

Anyone would tell you that the most effective thing to do is install ceiling insulation and solar hot water. But with these retrofits we should also make sure that building codes are changed so that no new homes or renovations can be constructed without full insulation—that is, in ceilings and walls—and solar hot water. We should ensure that people cannot buy new electric units. We should not only retrofit but also prevent the problem in the future. The first thing would be to get people trained so that people can ring up and get an auditor to come to their home and say, ‘This is what I recommend to you with a 10-year payback.’ They could start with that.
They could say, 'Ceiling insulation and solar hot water.' According to Professor Alan Pears, who gave evidence to the committee, you would look next at draught proofing the house. You would get advice on that. The next thing he said you would do is shade the glazing—in other words, have shade over windows. The best thing you can do is double glaze, but that is a very expensive option. You can have awnings and in some cases you can use vegetation—although in the context of the fires that is an arguable point.

If you have large window areas in your house, curtains will help. Another way of assisting in putting people to work is in constructing pelmets. Pelmets are incredibly important and make a big difference. If you have curtains without pelmets then you are missing a big opportunity for energy savings and insulation. But no builder will build you half a dozen pelmets for your house, because it is a small job. Most of our tradespeople are already fully employed and, because of this stimulus package, building firms will go for the much bigger projects. This is where some of the community organisations could come in. I know in Tasmania some community organisations looked at teaching people how to build very simple pelmets. Then a person could ring up and say, 'I want someone to come in, measure up and build pelmets for my house.' That is where some community groups—if they got some funding and some training money—could maximise people's opportunities.

Once you had glazing shading, the next thing would be wall insulation. A lot of people do not appreciate the value of wall insulation. Then you could go to under-floor insulation. There is no end to the number of things you can do. Also, you can change to energy-efficient appliances. People say, 'Look what I've done: I've just replaced my old fridge with a new, energy-efficient fridge.' But, if they then put the old gas-guzzler in the garage and keep it running for their drinks, pet food or whatever, they are actually making the problem worse because they are using not only that volume of energy but additional energy for their new and more efficient fridge. Now that the government has introduced a program for energy efficiency in houses, it is a good opportunity to match that with a community education program and some training money to maximise the benefit. We are going to have people unemployed. They could have the opportunity to train as energy auditors. That would build them a future. You would not be able to get an energy audit now. If I sat down in Tasmania today and tried to ring up someone to come and do an energy audit of my house this week, I would be hard pressed to get someone to come in that time frame.

Last year I got a solar hot water system, and it sat in my driveway for three months while I waited for a plumber to come and put it on the roof. Tradespeople in Tasmania are pretty hard to get. That was my point in the Senate inquiry when I asked Treasury about the capacity to have solar hot water systems installed. Indeed, across the whole infrastructure spend, where are we going to get the tradespeople to build the new buildings in every primary school in the country and to build the community housing, when we already have a shortage of people in the trades? That is why I asked whether we have the capacity to upgrade across the country the training places in the trades to support this infrastructure rollout.

The government should be thinking about what should be funded in the coming budget. The issue here, as we have said, is being timely and immediate. Obviously this training cannot be immediate, but if we are thinking about capacity building Treasury said there was aggregate capacity across the country to deliver the infrastructure spend. As I pointed out to Dr Henry, and he con-
curred, of course there is not going to be even capacity everywhere in the country but the infrastructure spend is going to be even because it is for every primary school across the country and every school is going to have maintenance. Presumably there will be a pro rata amount of public housing around the country as well. So in areas of the country where there is not much capacity, I am interested to know how the government intends to address the fact that you may not be able to get this infrastructure up as quickly as you might like. I put that to the government and also link the opportunity now provided with broadening the complementary employment opportunities and upskilling and training that might go with it on the whole energy efficiency front. I ask the minister to explain—and this concerns me, since we have said that time is the issue—the $2.7 billion insulation program. According to the Age today:

The Rudd Government’s first budget in May also included a scheme to install insulation in rental properties—that was last May—and guidelines for the scheme promised in 2007 were still being finalised when the expanded insulation program was announced last week.

No insulation has been delivered into those rental properties from the last May budget and here we are coming into the next budget. If the guidelines still have not been developed for what was promised last May, I would like to know how we are going to get this insulation spend and delivery out there fast. Is there going to be a rebate scheme for the first few months while you go into partnership arrangements with insulation companies who will then deliver for people? When would you expect the insulation scheme to begin? I would like some details from the government about that.

In relation to the government’s agreement with the states, I also note that the government has confirmed that just 500 of the nation’s more than 9,000 schools have made claims for funds under Labor’s Solar Schools program. The minister’s office would not say how many claims had been approved but a department spokesperson said the figure amounted to about a million. According to this article—and I would like to have some confirmation:

... an obstacle has been state governments intervening to take control of tendering processes. It is understood some governments are insisting they oversee the bulk-purchase of solar equipment.

If that is the case, can the minister explain to me how the tendering processes are intended to work. Will state governments handle the tender for the schools, for the social housing in their states, for the maintenance programs in their states and also for the building trade training centres? Also, is insulation and solar hot water going to be handled straight from the federal department? Will the states have any role in that? If we go back to saying that the states are going to have a hand in managing the tenders for the minor works and the major works in schools and the social housing, what guarantee could we possibly have that the states have the competence and the capacity to deal with this level of infrastructure spend in those tendering processes in the time frame?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.11 am)—Senator Milne, you have raised some important issues. I do not have a response now, but I will get it for you in the next 10 or 15 minutes. Aside from the specific issues, the whole of the energy auditing efficiency issues you raised are important. Looking at a whole range of changes that can be made to a particular house in addition to insulation, I have already indicated that insulation is a very effective but large part—it is only a part—of the solution. I have been told
I will have some more specific responses to the issues you raise.

As Senator Abetz indicated when we commenced, we are working across legislation and issues. I normally deal with Treasury matters so when issues are not my direct representational responsibility I am having to get further advice. I am attempting to obtain the information as quickly as possible.

Senator ABETZ (Tasmania) (11.13 am)—Unfortunately, it appears that Labor is embarking on an exercise of filibustering. I think everybody around this place knows now that the government, the Greens and Independents are in negotiations to try to stitch up a deal. As a result, this package of legislation—which so urgently needed to be passed by last Friday, otherwise the country would go to rack and ruin—is being delayed by the wilful actions of the government. I want to put that on record because it is becoming quite obvious that rather than contributions by way of question and answer, which is normally the committee way in this place, we are getting speeches. Given that we have already had two speeches—one was particularly mischievous—I need to place, from the coalition point of view, a few things on the record. Do we say the economic circumstances that Australia finds itself in now are worse than they would otherwise have been but for Labor’s hand on the lever over the past 12 months? We absolutely say yes to that: Labor has made the problem worse.

Why do we say to that? Remember that at the last election—we accept we lost it; we accept that—our policy was: go for growth. In his election speech at the time, Mr Rudd thundered that the reckless spending that the coalition were proposing must stop. That money was out of a surplus—but that reckless spending must stop! Indeed, the coalition had so overheated the economy, we were told, that we had to hoover out of the economy an extra $20 billion by way of taxation in the May budget. Labor kept on with the mantra that we had recklessly overheated the economy; they said it time and time again.

What are we debating today? We are debating injecting billions and billions of dollars into the economy. In fact, it is all very well for Labor and the Greens to be talking about side issues like insulation but the stimulus package comes with a bill of $200 billion attached to it—$9,500 per man, woman and child. So I say to those listening: the $950 cheque that you may get if this package passes will be a positive for you, but, as for the negative, it will be a $9,500 debt plus interest accruing year by year on the other side of the ledger. Let us say you go to a pawnbroker with your watch and the pawnbroker says to you, ‘I’ll give you $950 for that.’ You then ask, ‘If I want to redeem that watch, how much would I have to pay?’ and the pawnbroker says, ‘$9,500 plus interest.’ I reckon most people would walk out of the premises and go to somewhere where they could get a better deal.

I say to the people of Australia that, whilst they might be getting a sugar-coated pill—something that initially tastes sweet, looks good—there is a very, very bitter centre which will leave a lasting taste in the economic mouth of this country, and that is the $200 billion debt that will be left to our children. Just keep in mind that it took the Hawke-Keating era 13 years to run up a debt of $96 billion. It took 10 years during a mining boom to pay it off. Within 13 months—not 13 years—Mr Rudd has budgeted for this country to go into $200 billion worth of debt—twice as much as the Hawke-Keating era and that debt took 13 years to run up. From 1996, it took us 10 years to pay it off. How long will it take us to pay off $200 billion? The government cannot answer it;
Treasury could not answer it. We were told, ‘When business somehow gets better.’

Paying bonuses to people is an appropriate thing to do when your business is running well. When there is a surplus, you give back and you share the profitability amongst your workers or your fellow Australians. But how many people, as their businesses are going out the backdoor financially, knock on the door of their banker and say, ‘I need an extension on the overdraft so I can pay a bonus’? Most bankers would say, ‘I don’t think that is a good investment for the long term of your business, let alone the long term of the workers in your business, because it is more likely that you will have to shut down earlier than you otherwise would have had to.’

So we make no apologies for saying that the problems we face as a country today are worse because of the knee-jerk reactions of this government. And just keep in mind that the Investing in Our Schools Program, which was part of the ‘reckless spending’ that Labor axed out of their last budget, has now been reintroduced under another name. It is somehow no longer reckless if you borrow the money for it. But, if you pay for it out of surpluses, somehow that is reckless. Remember the solar rebate—promised, axed, now reintroduced?

Senator Coonan—Not means tested.

Senator ABETZ—It was not means tested then it was means tested. There is a legacy here of knee-jerk reactive policy decisions that are based not on a long-term economic overview but on the short-term political spin cycle. Can I simply say that we as a coalition are very concerned about the mismanagement of the economy by the current government.

In response to the comment by Senator Collins that ‘Everybody supports the need for this type of package’, can I say with great respect that recently in the New York Times there was an advertisement signed by 200 economists, including three Nobel laureates—not Johnny-come-latelies in relation to the economic debate—being critical of the Obama package. The Obama package, as with every other package in the world, includes tax cuts—not included in this package. Funding for innovation for the future, which is a genuine investment for the future, is in all the other packages—not included in the Australian package. And that is on the back of the stupid, short-sighted decision of the government to axe the Commercial Ready program in the last budget. In relation to Senator Sherry’s comment about Ms Bishop, can I say that comments taken out of context do not build you up as a minister or as a contributor to parliamentary debates. I do not think Senator Sherry did himself or, indeed, the government’s case any benefit in relation to that.

I cannot help but ask Senator Milne, albeit rhetorically, whether or not the pelmets that she is suggesting might be made out of wood, and if they were to be made out of wood I would be interested to know where that wood might be harvested from. But that is just a rhetorical flourish.

Senator Milne—Out of plantations.

Senator ABETZ—I hear an interjection ‘out of plantations’—out of those plantations that she opposes.

Can I also say that it is now quite apparent that this is a very ham-fisted approach by this government to the issues. It is typical of Labor; it is the one-size-fits-all, Canberra-knows-best approach. So if you have just built a house and installed insulation in the roof but you are saving your pennies for window treatments, bad luck, you miss out. Whereas, if a family say, ‘We prefer our privacy so we will go for curtains and drapes now and whenever we can save our money we will install the insulation,’ they will be
subsidised by the taxpayer. That is the ham-fisted approach that Canberra knows best—that everybody will have insulation whether they like it or not or need it or not, and somehow we are going to have a Pink Batt revolution in this country.

It is the same with boom gates—they are somehow going to be the economic saviour. It is the same with the so-called revolution in our schools. We have got a situation where every school will have to have a particular type of building. What happens to a school that does have a science laboratory, a general hall and a gymnasium but does not have a music room? Bad luck. It does not fit the Canberra one-size-fits-all approach. Surely the schools should have been given the opportunity to determine their own needs—to allow the school community to determine what the need is—and then have that fulfilled. But no, it is the Kevin Rudd approach: I know everything best.

And it is this ‘I know everything best’ approach that brings me back to the issue, which of course is that there is a mistake in the UEFO of $97 million. Senator Sherry and Labor just simply cannot come to the point of saying, ‘Yes, we do make mistakes.’ They just cannot bring themselves to do it. It is an error, and what is the shame in acknowledging that you have made an error, unless you have rushed it and you do not want to be exposed as having rushed it?

We now know, Minister, that this booklet in fact went to the printers at six o’clock on the Monday morning. I would like to ask you, Minister, when cabinet signed off on the package. I also want to know this: who or which minister or which ministerial office proof-read this document before it went to the printer and at what time was that work finished? I have just got a hunch here that most people would not be getting up at five 5.30 am to make sure that they could email or electronically pass on a document to a printer at six o’clock in the morning. You would think that that would normally happen at about the nine o’clock mark or even possibly eight o’clock. There was an—

Senator Coonan—Unseemly haste.

Senator ABETZ—Thank you, Senator Coonan. There was an unseemly haste, it would appear, and I think the Australian people are entitled to an explanation because we have been told that this was a well-thought-out package.

So whilst the minister tells us that, he might also tell us why the leader of the government in this place asserted that this package of bills had to be through parliament by last Friday, because the uncontradicted evidence to the Senate committee, on which Senator Coonan and I and others served, by Mr Pratt and other officials was that if this package were to be passed by this Friday they would still deliver everything according to the timetable of 11 March. So why the bullying and why the hectoring? Indeed, why the misleading of the Australian people and the Senate in trying to rush this through rather than allowing a proper analysis, which has already exposed two errors in the UEFO document? I suspect there are some more that I have not stumbled across as yet. So, Minister, if you would address the issue of whether you are willing to admit that the $97 million was in fact a mistake—that might be a good start—but also then tell us about the timetable as to when final sign-off was given for the document prior to it going to the printer.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.27 am)—Firstly, on the general point Senator Abetz raised about a filibuster, I reject that. Senator Boyce, his own colleague, made a generalist contribution to the debate.
Senator Abetz—Which you are answering.

Senator SHERRY—Which I have responded to—I responded to a couple of issues she raised. I am responding to issues as they are raised; I cannot do it immediately—I have indicated that I will come back with information, and I have some material for Senator Milne. So Senator Boyce’s contribution and indeed the contribution you have just made, Senator Abetz, were general economic/political critiques with some questions at the end. And this is a general debate, which you indeed requested yourself. This issue is of major importance to the future of the country and some of my own colleagues have wanted to make some general observations and, I might say, they are doing it very well.

Senator Abetz, I will come back with answers to the questions about the timing of the proof reading, if we can obtain them. I will certainly try to obtain that information about cabinet. Once we move beyond this general discussion I understand that Senator Evans himself will be dealing with some of the issues she raised, so I am responding to issues as they are raised; I cannot do it immediately—I have indicated that I will come back with information, and I have some material for Senator Milne. So Senator Boyce’s contribution and indeed the contribution you have just made, Senator Abetz, were general economic/political critiques with some questions at the end. And this is a general debate, which you indeed requested yourself. This issue is of major importance to the future of the country and some of my own colleagues have wanted to make some general observations and, I might say, they are doing it very well.

I will make one other general observation and then come to the responses to Senator Milne. Senator Abetz was misleading when he referred to a $200 billion debt. Let us make this clear: this package is costed at $42 billion. The budget would go into deficit without this package. Why? Because of the $115 billion loss in revenue because of the downturn in the world economy. The Liberal opposition are in total denial about the fact that the world financial and economic crisis is having a serious impact on other comparable world economies and is having a serious impact on the economy of this country. It is a having a serious impact on revenue—an impact of approximately $115 billion. It is somewhat misleading to allege that this package is leading to a $200 billion debt. It is not.

Senator Fifield—You are borrowing—

Senator SHERRY—You are right in your interjection to the extent that there is a borrowing requirement. We are seeking authority to borrow up to $200 billion. If we look at the actions of this government, every other government in the world—

Senator Cormann—Every Labor government—

Senator Sherry—Every conservative government. There is a conservative government in Canada that has announced a fiscal stimulus package, although I do not have the details of it here.

Senator Coonan—It is much smaller.

Senator SHERRY—It is much smaller? It may be much smaller, but we have determined, as a decisive government, that this package is necessary to underpin the economy and jobs.

The other point that I want to make is that there are still tax cuts in the forward estimates. I will give the details of those when I get them. There are still tax cuts coming. Just in the general macroeconomic debate, Senator Abetz’s contribution was misleading.

The other macro issue is that if you look back at the last 10 years and the payment down of government debt, what happened to private debt—personal debt—in this country? I do not have the figures here, but I
know that it skyrocketed. The personal, private debt of individuals in this country increased very significantly. That is having an impact in the current circumstances. What did the former government do about the skyrocketing level of private debt in this country? They just let it go. On reflection, it seems to me that they did not exercise any effective macro and micro levers.

Senator Cormann—Are you saying that we should have controlled private—

Senator SHERRY—Are you saying that the level of credit card debt in this country was sustainable? Are you saying that the level of increase in housing prices and stock exchange movements of 20 to 25 per cent was sustainable? If you are saying that that was all sustainable then you are living in a very strange world.

Senator Cormann—You are kidding me, right?

Senator SHERRY—You were in government at a time when private and personal debt skyrocketed—and I will get the figures. You were in government at a time when we saw a lot of irresponsible lending. What did you do about that? Nothing.

Senator Fifield—What is your government going to do about private debt?

Senator SHERRY—If you want to get into details, I will outline what this government intends to do about irresponsible lending practices in this country.

With due respect, you need to open your eyes to what is happening in the rest of the world, with the collapse of the financial system and the economies of every comparable country around the world. Do not deny that that has had a major impact on Australia’s economy, our circumstances and our budget.

Turning to the specific issues that Senator Milne has raised, the guidelines for the low-emission plan for renters and the homeowner insulation program will be available on 26 February. Applications for the landlord rebate can be accepted after those guidelines are released. The homeowner insulation program will be initially run as a rebate reimbursement program until a regional delivery partnership model can be put in place around July 2009. Reimbursement for this new program can be accepted when the new systems are built, which is expected to be in April or May.

On energy audit training for supporting in-house assessments, the government supports the need for better household energy education to help households identify other opportunities, including curtains and draughtproofing. Under the green loans program, the government is supporting close to 400,000 energy audits and is working with a range of organisations to train assessors to meet this need. The government is also working with the states and territories through COAG to refocus existing resources, targeting insulation to household audit programs. The states and territories already have programs that are supporting some half a million assessments across the country.

The government has had numerous discussions with a range of industry groups, including manufacturers and their associations and groups, focused on insulation. A detailed workshop to finalise the guidelines and develop training plans and further assess manufacturing capacity is scheduled for next week. Industry have signalled strong support for the package and the ability to meet the requirements if they are involved in the detailed planning, as they will be. The government also has funding for green skills under a range of programs managed by the Department of Education, Employment and Workplace Relations that can assist to meet training and capacity expansion for energy efficient home packages.
Senator Milne asked: when will the energy insulation scheme begin and will the states have a role in managing insulation and hot water? The energy-efficient homes package has two insulation elements. The first is the low-emissions plans for renters. As was indicated, the original program was announced as part of our last election commitment. It has been improved with a doubling of the rebate and an increase in the number of rebates available. Program guidelines will be finalised and publicly available by 26 February. The program will then commence. Rebates will be available directly from the Commonwealth Department of the Environment, Water, Heritage and the Arts.

The second element is homeowner insulation. Again, the program guidelines will be available on 26 February. Households who have insulation installed can keep their receipts and claim their costs from the department once the first stage of the program is operational in the next few months. From 1 July 2009, households will need to call only the call centre. The Commonwealth will be running the tender process for this program, not the states. The call centre is already operational. Stakeholder engagement is already underway. The program will be operational from 1 July 2009. The total value of tax cuts announced is some $9.8 billion for 2009-10 and $13.9 billion for 2010-11. So there are going to be tax cuts, and we look forward to the opposition supporting this.

I want to make one other point. When people receive lump sum payments, there is an underlying theme and critique from the opposition about people misspending the money on gambling, alcohol, smoking and McDonald’s. That was the underlying critique and theme that we have had from a number of opposition senators. Frankly, I find it very offensive.

Senator Cormann—Why?

Senator SHERRY—I will tell you why. I do not know of any government in the world other than North Korea that attempts in a Stalinist way to say to citizens who get tax cuts or lump sum payments, ‘You shouldn’t spend the money here or there.’ I am sure some money was spent on McDonald’s and on alcohol but the vast majority of the money was spent responsibly—

Senator Cormann—And on gaming.

Senator SHERRY—Yes. But, when the tax cuts are delivered, are we going to have higher income earners criticised for spending their money, their tax cuts, on overseas holidays, on alcohol or on fancy cars? That is what really offends me about this Liberal Party critique. It is effectively reverse class warfare. Have a go at the low- and middle-income earners who dare to spend some money on cigarettes, alcohol or McDonald’s. I find it very offensive.

Senator Polley—Cigars are all right for them.

Senator SHERRY—Cigars and champagne are all right for higher income earners—that’s okay! We will not say that higher income earners who get a tax cut waste the money because they spend it on a fancy car, an overseas holiday or champagne. I would not make that critique of higher income earners. At the end of the day, how individuals in our society spend their money is up to them. We do not attempt in a Stalinist way to lecture them and say to them, ‘You shouldn’t spend money here or there.’ Sure, we can have proactive campaigns in the area of smoking and gambling—and we should have them—but do not lecture people from a low- or middle-income background about having some moral responsibility in this area in that way. I find it very offensive. Frankly, I hope we would have less money—

Senator Cormann—Our point is that your package is a dud. That is the point.
Senator SHERRY—The point is that your critique of a group of people in society and what they choose to do with their money was very offensive. That is my point. It has been coming through from a number of opposition senators. We have seen it. The point I make is that it is inappropriate, as it would be inappropriate to criticise high-income earners for spending their tax cuts in whatever way they wished to. I would like to see more done about smoking, particularly because I smoke. I would like to see more effective programs to discourage smoking, because it has not worked for me so far, sadly. I would like to see less money spent on gambling—I worked in a casino for the first three years of my working life and I did not like what I saw. But do not lecture people who may occasionally go in and spend $10 or whatever it is. Do not lecture them in that way. It is highly offensive. I have actually had quite a number of comments from people in the community about this persistent theme coming through from the Liberal-National Party about this particular issue. They do not want to be lectured that they cannot go to McDonald’s and buy a meal for their kids. They do not want that sort of lecture. They do not want to be lectured that at Christmas they cannot have an extra couple of beers. I hope that that sort of criticism ceases.

Senator COONAN (New South Wales—Manager of Opposition Business in the Senate) (11.42 am)—The discussion this morning in this stage of the Committee of the Whole is certainly ranging far and wide. There are some very significant questions that we on the opposition side would like to ask the government that were unable to be asked during the inquiry of the Senate Standing Committee on Finance and Public Administration. It comes back to Senator Sherry’s earlier point about the level of government debt. Excessive debt, as we all know, has been the cause of the global financial crisis, so I must say that we on this side of the chamber are somewhat concerned and bemused about the prospect of a significant increase in public debt, which is the inevitable consequence of this package if it is passed in its current form.

Not to put too fine a point on it, the Updated Economic and Fiscal Outlook shows that accumulated deficits between 2008-09 and 2011-12 are projected to be $118 billion. Of that, policy decisions taken since the May budget make up the majority—that is, policy decisions that have been taken by the Labor government have accounted for almost all of that figure: $67 billion over the forward estimates, including $29 billion in 2008-09. The government’s own figures show that, in the absence of its policy decisions—and we are highly critical of the policy decisions because we do not think they are targeted or timely, and we certainly do not think they are going to have a temporary effect—the budget would still be in surplus in 2008-09.

This Rudd Labor government has simply run up Commonwealth debt. Its amendments to the Commonwealth Inscribed Stock Act, which we are being asked to look at as part of this examination of the bills in the Senate, seek authority for borrowing up to $200 billion. We had evidence from Mr Ray from Treasury that almost all of that figure is accounted for and will be needed to support the stimulus packages.

Whichever way you look at this, it shows us two things. First of all, it is an absolutely unprecedented amount for Australia. So, rather than Senator Sherry raving on about whether somebody spends their $950 on the pokies, at McDonald’s or wherever they want, let us concentrate on where this country is heading. We are heading for an unprecedented bill of $200 billion, which, as I think Senator Abetz said a little earlier, is
$9,500 for every man, woman and child in Australia. People who want to receive $950 and have discretion over how they spend it will find that it will cost them $9,500 for whatever they might choose to do with it. That is certainly not good for the people individually and it is certainly not good for the economy more broadly. It is a burden on Australian taxpayers that will simply reduce Australia’s growth. This is really the nub of it.

The concerning thing is that Treasury was unable, in the time frame given, to provide an estimate of the interest cost of the debt. I want to ask for that now as part of this debate. We have all done some calculations—even in the press. I note that David Crowe, in the Australian Financial Review yesterday, estimated that the interest cost of the proposed debt would rise to $7 billion a year. It will probably be more. It clearly shows that the net deterioration in the Commonwealth’s budget position between 2007-08 and 2008-09 is projected to be three per cent of GDP. Whichever way you look at it, and however you want to crunch these figures, it is similar to the deterioration under the Whitlam government, where they went from a surplus of 1.9 per cent of GDP in 1973-74 to a deficit of 1.8 per cent of GDP in 1975-76. The interesting point—I think Senator Abetz made it earlier—is that, under the current government, the deterioration is projected to occur over the course of a single year. That is twice as fast as the deterioration under the now infamous Whitlam government.

The important thing about this argument, I think, is that we are about to plunge this country into an unprecedented level of borrowing. We do not yet have a clear idea from Treasury, and certainly not from anything that we have heard from any government minister, what the interest rate will be, nor how long it is expected to last—and I will come back to that in another contribution. It is important that we have a very clear idea of just what it is we are being asked to face.

Senator Sherry, in his last contribution, did not mention the highly prescriptive nature of this package, whereas we noticed earlier—and it was said earlier in contributions from Senator Milne and Senator Abetz—that really there are many aspects of this package that are just ‘one size fits all’. If you happen to come within it, good luck to you; if you happen to fall outside of it, you are going to miss out. So we on this side of the chamber think it is incumbent upon the government to actually make a clear statement about what the level of indebtedness will be, what this chamber is being asked to pass in terms of the authorised increase in the cap on borrowing up to $200 billion and precisely what the interest rate will be. What will the interest rate be over, say, the next 10 years? Could I have those figures?

Senator HURLEY (South Australia) (11.49 am)—It is certainly very difficult to please the opposition. We on the government side were criticised by Senator Abetz for making general contributions to this debate in this third reading stage, yet members of the opposition criticised the government for not contributing to the second reading stage. I am not quite sure how we can win on that one. But certainly I am very happy to make a contribution to this debate. We have been hearing some very contradictory remarks from the opposition, who, when it suits them, wilfully fail to accept that there is an international problem with our financial markets and growth in the world’s economies.

I think it is illuminating to hear what Richard Koo, the Chief Economist at Japan’s Nomura Research Institute, had to say on Radio National:

You never become a hero by pre-empting a crisis … and that’s what happened in Japan. Japanese GDP never fell during the last 18 years compared

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to the peak of the bubble. But that was because of all the pre-emptive fiscal spending … we saw our commercial real estate prices fall 87 per cent from the peak … but we managed to keep our GDP from falling … our unemployment rate never went above 5.5 per cent. All that suggests that Japan was doing the right thing … what the Japanese have proven is that, even with massive collapse in asset prices, as long as you have a pre-emptive fiscal stimulus to keep GDP from falling, then people have the income to pay down debt … Japan has proven that it can be done without first experiencing a massive depression or even a war, which was often the way many countries came out of these recessions in the past.

I think looking at the situation of Japan in the nineties, which did have a massive slowdown in growth—stagflation, it was called—is very helpful to us in this time. Of course this is a massive stimulus by the Rudd government, and the opposition questions whether it is needed. I think it is clear that it is needed, and the Japanese example provides us with exactly that illustration.

The government, and particularly the Prime Minister, have been referring to the need to protect jobs, so I will emphasise again that, as Richard Koo suggests, because of the economic and fiscal stimulus that was undertaken in Japan, the unemployment rate never went above 5.5 per cent. Protecting jobs is one of the key aims of this stimulus package, and one which the opposition also claim to support, but here we have the opposition refusing to agree to this stimulus package without explaining how we should support our economy through these extremely difficult global economic times. We have the example of the way these stimulus packages work in what has happened in Japan over the last 18 years. But the opposition refuse to accept that because it is not convenient for their argument. They continue to talk along the lines of: ‘Why do we need it?’ Why do we need to go into this debt?’ They talk about whether the debt is too large.

**Senator Cormann**—It is too large.

**Senator HURLEY**—I have confirmation from across the chamber that the opposition believe it is too large, and I have some evidence to the Senate Standing Committee on Finance and Public Administration from Mr Saul Eslake, an economist who has been quoted by government members. He said during that evidence:

The measures proposed by the government at the beginning of this month amount to about 3½ per cent of one year’s GDP … and are thus broadly commensurate with those envisaged on average in other countries.

He later said:

The budget deficits envisaged in the Updated Economic and Fiscal Outlook are ... not excessive by historical or international standards. The government forecast the deficit to peak at 2.9 per cent of GDP in 2009-10. That is below peaks during previous recessions of 4.1 per cent in 1992-93 and 3.3 per cent of GDP in 1984-85. They are a lot lower than the OECD’s most recent forecast of OECD area budget deficits peaking at 4.1 per cent of GDP in 2010 …

So it is difficult for the opposition to claim, firstly, that this stimulus package is not needed and, secondly, that it is excessive. As in many other occupations, I think you will be able to dredge up economists who disagree with the prevailing orthodoxy, but it is very clear that the prevailing orthodoxy is that we do need this stimulus package urgently to protect our jobs, to protect our businesses and to protect our economy; and, secondly, that the fiscal stimulus package proposed by the Rudd government is not excessive either by world terms or by Australian terms based on past recessions.

That is very clear. The opposition feel it suits them politically to refute those kinds of observations, but it does not assist the country to have the opposition hold up these bills, because it is important that they be implemented, and implemented as quickly as pos-
sible. As many, many senators have talked about, it is important that these measures are timely. For the sake of our economy, we need to get things going very quickly. We need a stimulus package whose effects will be felt within a very short time frame in order to have the economy respond in the right way.

Senator Fifield—But you’ve got to get it right!

Senator HURLEY—Senator Fifield says it needs to be right, and that is true. Certainly government members believe that this package is right, because it has payments targeted to people who will be most assisted by payments at this time—people who have children at school and people on lower and middle incomes—so they will spend that money. That is the first, very quick and very direct stimulus that will be felt. Secondly, we have infrastructure and environmental packages that will be an immediate stimulus but also have effects well into the future, and these are in areas that the economy has been crying out for for some time, such as education and social housing.

I think it was Senator Abetz who took exception to the Rudd government having talked about reckless spending during the election campaign and then spending money in a $42 billion package, but again the opposition, perhaps wilfully, refuses to place enough emphasis on the adjective in ‘reckless spending’. The former government’s spending was reckless in a lot of instances because the money was spent on programs and packages that had no long-lasting effect on our economy or on our infrastructure. There was not enough spending on training. There was not enough spending on the kind of infrastructure that would improve our productivity and that would improve our education. So the Rudd government redresses that problem in this current stimulus package. That is the key difference between the reckless spending of the Howard government and the spending that the government is undertaking now.

I certainly commend the architects of this package for, in a short period, developing something that will not only provide that important stimulus for our economy and improve confidence in our economy but also result in long-term benefit to the Australian public. In particular, regarding the education package, many senators here would have been on school council committees or would have spent many hours attending school councils and would know how important these kinds of measures are. For many years I attended school councils and listened to them talk about the need for the improvements and upgrades to their schools that are addressed in this package.

Members of the opposition have talked about the debt that will have to be paid by the children and grandchildren of senators. The children and grandchildren of current senators will benefit extraordinarily by not having to raise funds or deal with these issues of maintenance and infrastructure that have plagued schools for the last 20 years at least. That will in itself be a very significant benefit for our children and grandchildren. The education and infrastructure improvements will release funds for even more curriculum development in schools. The Labor Party has been talking for the past 10 or 11 years about the crying need to improve education in this country. Compared to other countries in the world we have slipped behind in our spending on education at a time when we desperately need to introduce innovations in education and be a smart country. We all know that it often comes back to the critical building blocks, and one of those critical building blocks is the state of our school system. There we have the key.
Social housing and the environment are also critical areas of need in this country. This package will stimulate building activity in our country, but, as just part of our environmental package, it will also improve insulation in homes. What is the problem with this?

Senator Fifield—It’s a joke—that’s the problem!

Senator Hurley—the opposition are treating it as a joke. They are trying to make it into a joke that we are insulating homes. You in the opposition have to ask yourselves—

Senator Sherry—I raise a point of order, Mr Temporary Chairman. Reluctantly I have to draw your attention to the very disorderly level and number of injections now occurring.

The TEMPORARY CHAIRMAN (Senator Trood)—Thank you, Senator Sherry, but we are in committee and it does not seem to me to be beyond the bounds of what might be reasonable. I will be conscious of your observation should it continue.

Senator Sherry—Mr Temporary Chairman, I did not ask for your observation; I asked for a ruling on the level of interjection occurring in the chamber. Frankly, Mr Temporary Chairman, you should be exercising your authority.

Senator Coonan—Mr Temporary Chairman, on the point of order, Senator Sherry seems to be canvassing what appears to me to be a very clear statement by you of a ruling on the matter. As we know, in these kinds of exchanges it is free-flowing and it always has been. I can remember being exactly where Senator Sherry is sitting and Senator Sherry, Senator Conroy and various other people were constantly interjecting and heckling. To conclude my point of order, I can appreciate that it is embarrassing for the Labor Party to have to have to filibuster while they find out what is happening with their amendments—I can understand all of that—but, for goodness sake, there is no point of order, with respect.

The TEMPORARY CHAIRMAN—Senator Sherry, there is a rule that all interjections are in fact disorderly, but, had Senator Hurley sought the protection of the chair, I would certainly have given it. She has not done that, so I rule that there is no point of order.

Senator Sherry—On a further point of order, Mr Temporary Chairman, is it correct that the only person who can draw the attention of the chair to an unruly state of the chamber is in fact the person who is being interjected upon? Isn’t it correct that any senator can call the attention of the chair to unruly behaviour in the chamber?

The TEMPORARY CHAIRMAN—Any senator can draw attention to the state of the chamber, Senator Sherry, but in my view the interjections were not excessive. Had there been a need to intervene then I would certainly have done so.

Senator Cormann interjecting—

The TEMPORARY CHAIRMAN—I think the interests of the chamber would be served, Senator Cormann, if we allowed Senator Hurley to proceed.

Senator Hurley—the opposition are trying to make a joke out of insulating houses in this country, but the opposition have to ask themselves whether that is resonating in the community. Have you heard anything to that effect? That is not my experience. My experience is that householders are very grateful for this assistance, which enables them to save money on energy and to comply with environmental standards. So the opposition have to ask themselves whether it is not they who are the joke. People are
laughing at you, not with you, in this instance.

I congratulate the government on this stimulus package. It will deliver the results claimed and I urge everyone in this chamber to vote for it.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (12.07 pm)—I have a couple of specific responses to some questions that have been raised. A number of Liberal-National Party senators have come into the chamber and have chosen to interject, in part because they have alleged a filibuster. I would suggest that you were not present earlier. It was Senator Abetz, your own deputy leader, who suggested a general debate. It was not the Labor Party. It was Senator Abetz who suggested a general discussion, a general debate, not the Labor government. That is what is occurring. It is not a filibuster.

Senator Humphries interjecting—

Senator SHERRY—You were not here. With respect, you did not hear—

Senator Humphries—I was listening on the radio upstairs.

Senator SHERRY—Okay, you did hear. That is even worse, because you would have heard the contributions from Senator Abetz and Senator Boyce, which were extremely general in nature. Some questions have been posed and I am responding to those questions as I receive answers, which is appropriate. Senator Coonan has raised an issue, and Senator Joyce asked the same question at the finance and public administration committee hearing. Senator Joyce’s and Senator Coonan’s questions went to the same issue: could the calculation of how the $2.66 billion was reached be tabled? It was not tabled at the hearing, but I can now give the answer. The estimated interest receipts to government in 2011-12 are $4.8 billion. The estimated interest payments in 2011-12—obviously, I am sure—equal estimated interest payments less estimated interest receipts. For example, $7.5 billion minus $4.8 billion is $2.66 billion, and the slight discrepancy is due to rounding.

Related to that, Senator Bob Brown asked at the committee hearing, with respect to the bond market:

… what the cost will be of raising the $125 billion … on the bond market?

He also asked: ‘What impact will the need to repay this debt through tax raising have on economic growth in the future?’ The cost of raising funds in the bond market depends on market conditions. Currently, the average interest rate applied by the government on new borrowings is around four per cent. As the economy recovers and grows above trend, the government will take action to return the budget to surplus by (a) allowing the level of tax receipts to recover naturally as the economy improves, while maintaining the government’s commitment to keep taxation as a share of GDP below the 2007-08 level on average, and (b) holding the level of real spending growth to two per cent a year until the budget returns to surplus. As soon as the budget returns to surplus, the government has said it will draw upon the surplus to pay down debt as rapidly as economic conditions permit.

Finally, I have an answer to an issue raised by Senator Milne. Some answers I have already given, but I have a further answer to another question she raised. She asked: ‘Will the states be involved in the tendering process for the insulation program?’ The answer is no. At the COAG meeting the states agreed to maintain existing energy efficiency funding levels and redirect state funding for other energy efficiency programs, such as insulation programs, to home energy advice programs. I
know that the Prime Minister made it very clear at the recent meeting with the states and has made it very clear publicly that states attempting to shift existing planned expenditure, current expenditure, and redirect funding will not be tolerated. There is a process being put in place to ensure that does not happen.

Whilst I am on the states, there is a Liberal state government in Western Australia. I seem to recall that the new Liberal government of WA has actually endorsed this decisive package to stimulate the economy and jobs.

Senator Coonan—How long’s he been there?

Senator SHERRY—It is almost as though you do not want him to be there, Senator Coonan.

Senator Coonan interjecting—
Senator Cormann interjecting—
Senator Marshall interjecting—

Senator SHERRY—For the record, the Liberal government in WA has endorsed the federal Labor government’s package.

Senator Cormann interjecting—
Senator Marshall interjecting—
Senator Coonan interjecting—
Senator Joyce interjecting—

Senator SHERRY—I am happy to take all the interjections across the chamber. For people listing to the broadcast, unfortunately there are numerous Liberal-National Party senators interjecting and shouting across the chamber. They should reflect on themselves and the way they want to conduct the debate. It is a very important debate. It is particularly important to have a generally respectful tone in this debate. So we are not going to interject across the chamber. This is a very, very important and considered debate.

Senator Bernardi—Better tell Senator Marshall that.

Senator SHERRY—Really, you can continue to fire interjections in the way that you are doing, but Senator Abetz invited a general contribution. If you want to make a contribution, that is fair enough, but make it in the proper way. Stand up and make a considered response, as Senator Abetz himself invited. Make a general contribution. Let us have a little bit of respect for the size of the issue and the circumstances we are currently debating, please.

Senator Joyce (Queensland—Leader of the Nationals in the Senate) (12.14 pm)—Just on that point, it seems surprising that we are getting this sermon that is standing in proxy for a debate, for the purpose of filibustering on a package that was supposed to be urgent. I am sure the people watching the broadcast can clearly define the tactics of the Labor Party. They are desperately trying to stitch up Senator Fielding and that is why we are going through this whole charade in here.

But just on the issue here, it now appears there is a little ‘rounding’ error. They have said there is $4.8 billion in receipts and $7.5 billion in payments, so that is about $2.7 billion. But that means that their little rounding error—and this is what a fiasco this package is—is $40 million. It is a little $40 million rounding error. For the Labor government, $40 million is a little bit of small change that you just drop on the floor—a lazy $40 million. People out there would like to know how many hospitals we could improve for $40 million, how much cancer treatment we could deliver for $40 million, how many things we could actually put on the table for the $40 million which is now, in Labor parlance, a rounding error.

Let us look at this $7.5 billion in interest. That is definitely locked in. They are going to pay $7.5 billion—and, I would suggest, a
lot more in the very near future. That is $7.5 billion that we could have turned into so many other outcomes in this nation. There could have been the delivery of real infrastructure. There could have been a start on dealing with the water issues of the south. There could have been a start on dealing with such things as inland rail. And then the government had the hide to link that into $4.8 billion worth of receipts. Minister Tanner talked the other night about where this $4.8 billion worth of receipts was going to come from—the HECS debt, amongst other things. So let us drill down into that. He has a belief in a reliable, continual income stream from such things as the HECS debt and the Future Fund, in the middle of a recession, and the building capital fund. Let me remind you that the interest from the Future Fund is supposed to become part of the corpus of that fund and continue to build it up.

Senator Coonan—You can’t use it!

Senator Joyce—So how you are going to net it off and use it, gosh only knows. So we will actually have to find the $7.5 billion. Let us look at the HECS debt so elegantly put forward by Mr Tanner. I think the HECS liability out there at the moment is about $17 million—or maybe it is $17 billion; I will have to find out—but I know what has been paid back: only one. That is a six per cent return, principal and interest, so one would suggest the interest component of that is dramatically less. This is the sort of economics we are getting.

I would ask the minister to be more decisive—we are getting a lot of that in the lingua franca—in clearly spelling out exactly where the interest receipts are going to come from to net off the debt. We have the ridiculous scenario now where they are saying: ‘On the bond market we will owe the world close to $200 billion, but we are going to net that off against the Future Fund, with an indeterminate income stream, and we are going to net it off against the HECS debt, with an indeterminate income stream, and other issues with an indeterminate income stream.’ That is like saying, ‘I went to the bank the other day and borrowed $200 billion and then I saw a friend down at the local hotel and lent him $100 billion, so my position in the world is I am only out there for the balance, for $100 billion.’ They are completely different outcomes. Your whole concept of netting two indeterminate flows, of linking two disarticulated issues, is bizarre. How can you manage to link these two things together?

So I ask: can you please now definitively and decisively tell us, the Australian people, what makes up the interest component of the $4.8 billion in receipts? What reliability is there in that income stream? Is there actually a guarantee of any income stream from that $4.8 billion? Does it have the same requirements as what will be the definitive and decisive payment that you will have to make for the $7.5 billion as we hock up our nation’s credit card to a $200 billion limit? For the sake of expediency I will not, as the Labor Party are doing, hold this debate up for 15 minutes. I just want an answer.

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (12.20 pm)—It is always a pleasure to give you an answer, Senator Joyce—and I have to say, frankly, I am surprised that as an accountant you do not know. The calculation of net interest payments is made, Senator Joyce, in exactly the same way that your government did it for 12 years—same basis, same formula. There is no difference with this government’s calculation. Treasury have calculated it independently. It is exactly the same approach as under your government. As to the detailed breakdown of estimated
interest receipts, I will certainly endeavour to obtain that detailed breakdown for you.

Senator Coonan—Don’t you have it?

Senator SHERRY—I will obtain the figures for you. We have six bills. We have quite a number of advisers. I have taken questions on notice and will come back as soon as the information is given to me. I have done that continuously all morning. I do not really know how you can complain that I do not have the figure right here in front of me. I will take advice and I have said I will get the figure and I will come back to you with it, as I have done all morning.

On the issue of net debt—and there has been quite a bit of discussion about net debt—Australia’s net debt in 2010 will be 5.2 per cent. I am not going to go down the list of all the countries and their net debt but I will just highlight a couple of them. Japan’s net debt in 2010 will be 93.7 per cent. As I say, Australia’s will be 5.2 per cent. Italy will be 90.1 per cent; the UK, 43 per cent; the US—where all this financial and economic crisis commenced—57.8 per cent net government debt. Australia’s will be 5.2 per cent. We have just seen the end of a conservative eight years in the United States, and their net debt in 2010 is estimated to reach 57.8 per cent. The point has been made time and time again that the net debt, in respect of GDP, of Australia in 2010 compared to those of other comparable economies is very good in the international context. We have the capacity and we have identified that the package is appropriate to urgently underpin the Australian economy, build the nation and support jobs.

I will conclude on this point. The opposition have been alleging that the Labor government is somehow responsible for all of this. We have an international financial and economic crisis that has its genesis in the United States. Frankly, I do not know where members of the Liberal-National Party opposition have been when we have seen bank after bank collapse in the US and the UK.

Senator Bernardi—Not in Australia.

Senator SHERRY—No, it has not happened in Australia, because this Labor government provided a bank guarantee. We acted decisively and that is a very good example of a forward-thinking Labor government acting decisively, before the financial systems started collapsing. What we saw in the US and other European countries was that their governments, particularly in the US, have struggled to act decisively after their financial systems started collapsing. This Labor government believes that it is necessary, given the serious financial and economic circumstances developing in the rest of the world that have now flowed on to China. And Chinese growth is down significantly, which obviously is very important in the context of the significant drop in mineral prices which flows through to our economy, so acting is appropriate because this government believes in decisive action and forward thinking.

If other governments around the world want to try and pick the pieces up after the show has fallen to pieces, that is up to them. But this Labor government is determined to act decisively to minimise the impacts of what we see unfolding around the world. Certainly, it is the worst financial and economic crisis since the Great Depression. In those circumstances, the approach of the opposition, as outlined by the shadow minister, Ms Bishop—that we should wait and see how bad things get—is just plain wrong. That was the approach in the US; they waited to see how bad things were going to get, with the banking system collapsing, and then decided to intervene. They are still trying to work it out in the US.
Credit must go to Senator Obama, now President of the US. We cannot blame the new President. He is still trying to come to grips with and get on top of all of these issues, after eight years of conservative rule under former President Bush, who controlled the congress for six years of his eight years. Look where it got the US. There will still be some apologies for the reckless economic management of the US under the former President. It was reckless: the level of debt, the level of irresponsible lending that occurred, the reckless failure to effectively—

Senator Coonan—Clinton was reckless!

Senator SHERRY—Who was responsible for regulating the financial markets in the last eight years? Clinton did not appoint the head of the regulatory authorities in the US in the last eight years. I have met a couple of them. They were appointed by former President Bush. But that is a debate in the US. The relevance of that to our circumstances is that there is a significant financial and economic crisis. It had its genesis in the US, it spread to Europe and the impact is spreading right around the world and is hurting Australia as well. This government is acting decisively because we believe that we should act—

Senator Coonan—It’s too big and out of proportion.

Senator SHERRY—Senator Coonan keeps saying, ‘It’s too big; it’s too big.’ But we made a judgment as a responsible government that it is important that we underpin the economy of Australia through this nation building and jobs program. All I can say, on the evidence we have seen from comparable countries around the world, the US and Europe, is that they have not done a particularly flash job to date. In the US, hundreds of thousands of jobs a month are being lost. I just do not believe that the sense of urgency and decisiveness that is needed in these circumstances is recognised by the Liberal-National Party opposition. They do not appear to believe that this is a very serious set of circumstances we face caused by factors beyond this country’s control, through Europe and the US.

Senator CORMANN (Western Australia) (12.28 pm)—I rise to pick up on some points made by Senator Collins earlier and to ask some questions of the government. In doing so, I do welcome Labor senators to this debate. It only took them a week. No doubt last week the spin machine in the government told Labor senators not to participate in this debate. This week, the deal makers in the back room have told them to come out here and, essentially, present the government’s propaganda. In the history of the Commonwealth, when future generations of Australians will look at what happened in this chamber during this debate, it is, quite frankly, not going to be a very good reflection on Labor senators. They were absent from the debate when they should have been a part of it, and now they are participating in the debate for all the wrong reasons and in totally the wrong way.

Senator Collins earlier accused senators opposite her of being ‘global financial crisis sceptics’. She said, ‘Perhaps senators on the coalition side of the chamber are not only climate change sceptics but also global financial crisis sceptics.’ Inadvertently—and I am sure it was inadvertent—Senator Collins put her finger right on the heart of the lack of consistency and the flawed logic of the government’s argument on this package given some of the other policy initiatives they are pursuing. The total inconsistency is this. The government are telling us—and the minister told us five minutes ago—that this is the worst economic crisis since the Great Depression and that we need a $42 billion spending spree to deal with it. We happen to think that that is the wrong way of going
about dealing with it. We do not think that a cash splash is the answer. But let us leave that to one side for a moment.

If the government really believe this, why at the same time do they not tell us that they will also review all of their other major policy initiatives that are going to have a major impact on the Australian economy? In Senate question time last week I asked a question of the Minister representing the Treasurer. I asked whether, given the revised Treasury forecast, the government would conduct further Treasury modelling into the impact of the proposed Carbon Pollution Reduction Scheme on the Australian economy. I was sneered at by the minister. The minister essentially said, ‘The premise of the question is flawed and as such it doesn’t deserve an answer.’ The reality is this. The government will not deny that Treasury modelling did not assess the impact of the so-called global financial crisis on the outcomes of its modelling on the Carbon Pollution Reduction Scheme. There is no argument about that. But we are talking about an unprecedented spending spree, which the government initially wanted the parliament to commit to within 36 hours, because we are told we are facing the most significant economic crisis since the Great Depression. But, when we ask some very serious questions about other major public policy initiatives of the government and whether the government is prepared to review their impact on the Australian economy, we are told: ‘No, it doesn’t really matter. It won’t be a problem.’ The minister and the government have on previous occasions said, ‘We have conducted the most extensive modelling in history but we the government have not assessed the impact of the Carbon Pollution Reduction Scheme on the Australian economy in the context of the global financial crisis.’

We are not global financial crisis sceptics. We understand that these are very serious times and that we need to come up with a considered way forward for Australia. But we are Rudd government sceptics. We are very sceptical of the way the Rudd government is managing the economy. We are very sceptical of the way the Rudd government has managed the economy right from the word go. Before the last election, the now Prime Minister sold himself as an economic conservative but now we are getting concentrated socialism. The government tells us that taking cash from over here and distributing it over there somehow is going to provide sustainable stimulus to the economy. Let me tell you that a government can never inject new money into an economy; the government can only ever take cash from over here and spend it somewhere else. This government is proposing to not only take cash from over here and distribute it over there but also borrow from future generations of Australians to spend on consumption. Any household or business will tell you that it is completely irresponsible to borrow money to spend on consumption. You ought to borrow money to invest in infrastructure, to invest in things that the future generations that will have to repay will draw benefit from. That is not what this government is proposing. This government is proposing to borrow money to facilitate people across Australia going on a spending spree. That is not responsible economic policy.

The major point that I want to make, going on from the question I asked the government, is this. Given the ongoing rhetoric and statements of the government in this chamber today about this being the worst economic crisis since the Great Depression, will the government today advise the Senate that Treasury will conduct some further economic modelling of the impact of its proposed Carbon Pollution Reduction Scheme on the Australian economy and on jobs, in particular in the context of what the govern-
ment describes as the worst economic crisis since the Great Depression?

Senator POLLEY (Tasmania) (12.35 pm)—I would like to continue commenting on the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and related bills. On the contribution made by the opposition, I think I can summarise why they are opposed to these bills. I will quote from the Canberra Times of Monday, 9 February—which was a unique day for this country. ACT Senator Gary Humphries, when explaining his stance on ABC local radio, said, ‘We’—meaning the opposition—‘would never support in opposition anything we had not proposed in government.’ For the people of Australia listening today, that is a pretty succinct explanation of why they are opposing this. I cannot reiterate more strongly that these are unprecedented times. We have heard from the opposition during this debate how $42 billion is an unprecedented amount of expenditure. Yes, it is. That is because the Rudd Labor government has made the decision to act decisively and to act now in the interests of the Australian economy, Australian workers and our families.

I would like to pick up from where I left off in my earlier contribution. The Howard government, which for 11½ years held the reins of the Treasury offices, did not invest in infrastructure or training. That helped lead to the situation whereby the mining industry—which they lived off for a long period of time—is already having an impact. I would have thought the former speaker, Senator Cormann, would know very well what is happening within the mining industry in Western Australia, where people are already losing their jobs.

My son-in-law manages a laboratory which is beholden for its business to a large company in the mining industry which operates not only in this country but globally, in other countries. They are already having to lay people off. The global financial crisis has already impacted and will continue to have an impact on this country. We are not saying that this is going to save all those jobs but we are saying that this will underpin up to 90,000 jobs, to keep them here.

As a Tasmanian senator, I know that you, Temporary Chairman Carol Brown, would share my concerns for what is ahead for our local industries—the Atlantic salmon, abalone and crayfish industries, the tourism and forestry industries. Because of the global financial crisis, the proposed pulp mill to be developed in Northern Tasmania is obviously not finding it easy to attract finance.

Those few comments help to underpin the essential nature of these bills and the fact that we have to act now. We are showing leadership and we have to be decisive. There are two important choices facing the leadership of Australia: either to take a steadfast and determined approach to seek to reduce the impact of this global recession on Australians or to sit on the sidelines and do nothing while we get sucked down with the rest of the global economies.

There was mention in the debate this morning on numerous occasions, which astounded me, that the shadow Treasurer and the opposition would be suggesting—as they have in the past—that we should sit back, close our eyes and hope it all goes away. Senator Sherry outlined the concerns that the Australian people would have with the sort of attitude that was clearly outlined by the shadow Treasurer. Once again, the opposition is sceptical not only about climate change but also about the global recession and its impact on the Australian community.

From the contributions made this morning, it is very clear that those opposite have buried their heads in the sand. They want to sit on the fence. They want to whinge. They
want to oppose the job-saving measures because they believe that in the short term that would suit their political best interests. The Australian people should never be underestimated. While we are debating these issues and the opposition are taking the stance of opposing these bills, they are showing the Australian people once again their true colours.

I take offence at the comment that Labor senators have not made a contribution. During the committee hearings last Thursday, Friday and Monday, we were there listening to what the Treasury and Finance and De-regulation experts were telling us. I took great interest in the questions from the Independents and the Greens. At times some good questions were coming from the opposition, which is their job, but the political stance of grabbing headlines about pink batts and boom gates astounds me. A senator from Queensland condemned the government for investing in boom gates in his state of Queensland, in outback Australia. For somebody who espouses that he is a regional person who understands the people on the land, I would have thought he would support those safety measures. I found that quite offensive during the committee. Everyone is entitled to their own views and Australian families will make their decision about what is important to them. My position is very clearly that I am here supporting the Rudd government because I believe in these measures. We have to act now.

During the debate today it has been enlightening to hear about things in relation to insulation of our homes. Some of the contribution by Senator Milne this morning was very valuable and pertinent to Tasmania. The opposition attacked her claims about pelmets and where the timber was coming from. Very seldom on issues to do with forestry would I concur with Senator Milne but on this occasion I can see real benefits in providing opportunities to train people. When she was talking about community groups being involved in small projects or in raising money, I thought immediately of the Scottsdale men’s shed in north-east Tasmania and the beneficial things they do within the community. There is a fantastic opportunity not only to help their local communities but also to inject some badly needed funds into that organisation.

This set of bills has demonstrated once again not only to those in the chamber but also to those in the community and those who are listening to the debate that the opposition are clearly out of touch. They have learnt nothing over the last 14 months. Many families in the Australian community are struggling. So the injection of funds from the $950 that so many families and individuals are going to receive is going to be a welcome contribution. In contributions in this debate and also in the committee hearings, an assertion was made that Australian families—families in rural Australia, in regional Australia and in cities—will put the money they get through poker machines and takeaway stores. I think that is just amazing. Then they tried to bring in the festive season, saying that there was more money spent on alcohol. There are some families where the only little bit of luxury they have available to them is to have a drink and celebrate the festive season. Some of them may visit poker machines but that does not mean they all have gambling problems and to assert—which is the same attitude the opposition had when they were in government—that Australian families do not know how best to utilise their income is a very sad reflection.

As chair of the Senate Standing Committee on Finance and Public Administration, I recommend very strongly that people read the report on these bills. We need to act decisively and as quickly as possible to pass these bills and have them enacted, to make
sure that we spring back to a strong economy.

Progress reported.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Carol Brown)—Order! It being 12.45 pm, I call on matters of public interest. I understand that informal arrangements have been made regarding speaking times for matters of public interest. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Victoria Bushfires

Water

Ms Robyn Watson

Senator HUTCHINS (New South Wales) (12.46 pm)—Before I commence the substance of my remarks, I want to briefly reflect on the terrible and tragic events that occurred over the weekend in Victoria. I imagine that all of us have, in one way or another, been touched by those events. I want to briefly share with the chamber how, through a few degrees of separation, I have been affected. A good friend of mine, John Allan, is the publican at a pub in Panton Hill in Victoria, in the seat of McEwen. John was formerly in the RAAF and a former Federal Secretary of the Transport Workers Union, while I was the federal president. I spoke to John on Sunday afternoon when I came to realise the magnitude of the events that had occurred and were occurring in Victoria. I asked how he, his wife and their families were and whether they had been affected. John told me that the man who delivered his beer had been killed in the fires. When I spoke to John he said that the local community, which had been surrounded by fires, was in the beer garden of his hotel in a kind of wake because all the people in that community knew someone who had perished in the inferno, just as John and his wife, Kerrie, knew someone. My heart and best wishes go out to all the people in Victoria, as has also been so eloquently expressed by the Prime Minister, the Premier of Victoria, the Leader of the Opposition and others.

I want to speak about water today. I do not do that in relation to the events in Victoria, but I want to talk about a trip I made to Narrabri and Boggabri, in New South Wales, last Friday—

Senator Williams—And Baan Baa.

Senator HUTCHINS—And Baan Baa, as Senator Williams reminds me. I think we all now realise that we have a finite amount of water and that we need to know how to manage it. I am not sure that it seriously dawned on us until the last decade how important it is to manage that finite resource. I do not want to attribute actions or lack of actions by some state governments over many periods—or indeed users, particularly along the Murray—for the predicament that they face. I think we should always adopt the slogan: fix the problem; do not affix the blame. Indeed, as we are well aware, and I am sure my coalition colleagues will correct me if I am wrong, the Rudd government is the first government to have a ministry of water.

My contribution today is to speak about my opportunity to meet a variety of community and farming groups in the region of the Namoi River. I was accompanied by John Clements, a councillor of Narrabri Shire Council and executive officer of the Namoi Catchment Management Authority, who will be appearing before the current Murray-Darling inquiry. Councillor Clements gratefully showed me a number of the programs that have been funded and undertaken by the Commonwealth government. I also met residents who were seeking assistance from the Commonwealth government.

The residents that I met in all the towns and villages overwhelmingly supported the
Rudd government’s stimulus package. The people of the Namoi Valley region were wholeheartedly behind the government’s intention to spend a significant amount of money on infrastructure. In fact, I was given a shopping list of projects that had been neglected by the previous government. There are areas of serious need, whether it is lights at football grounds, railway crossings, halls, sporting fields or super clinics. Communities were appropriately arm-twisting me as a member of the government for Commonwealth funds to improve the quality of life in their particular villages or regions. I told one of the National Party senators who is familiar with the area that, whilst I was looking at a rail-road crossing, the soles of my boots melted on the tarmac. It was quite hot and the soles of my boots melted. I have questioned a few people since then and was told it does not happen all that regularly.

I also had the opportunity to meet with a number of farmers in the cotton industry. Two who stood out to me were retired cotton farmers John and Robyn Watson at their property, Kilmarnock, on the banks of the Namoi River near Boggabri. John and Robyn have been there since 1968. They have been growing cotton there since 1980.

When I had lunch in their office I noticed a significant number of awards that had been awarded to John and Robyn and to their son Andrew. I would like to outline briefly some of the awards that John has received. In 1998 John was given the Upper Namoi Cotton Growers Association 2nd Crop Competition award, in 2002 he was UNCGA Cotton Grower of the Year and received the UNCGA Water Use Efficiency Award; and, in 2008, he was Australian Cotton Grower of the Year.

Today I want to speak about the contribution of Robyn to the land and river care of the Liverpool Plains. When I spoke to Robyn last Friday, she spoke quite crossly about the neglect of the Namoi River, which had been occurring for some time—that is, until Robyn decided to do something about it. Robyn has been the recipient of many awards for her outstanding efforts, particularly on her part of the Namoi River, which led to significant restoration of at least 22 kilometres of the river.

When the Watsons arrived in the area there was little understanding of the destructive impact of not preventing cattle from having free access to water. Before cotton, cattle was the business of choice and had been for a very long time. The riverbanks were eroded and the big river gums were falling into the river. The other major problem or pest was the willow tree, which is an introduced species that likes water. So the two threats to her part of the river were erosion and willow trees. What needed to be done was to save the gum trees and get rid of the willow trees. Once she did this, by a variety of means, she began a major revegetation program to establish 8,500 trees on the farm. She spent hours tending to them through years of drought.

Robyn noticed a species of grass that had withstood constant floods better than others. It is called vetiver grass. It is a native grass that used to grow all throughout the Namoi but was now only found on her property, Kilmarnock. As a result of Robyn’s observation, the grass is now grown and distributed all over the Namoi. It is extremely successful in arresting soil erosion.
I will quote Mr Peter Capp, a former chairperson of the Liverpool Plains Land Management Committee:

Robyn has led the charge by Boggabri Landcare Group to rid the waterway of willows, manage stock by fencing the riparian zone and improve groundcover by replanting native trees, shrubs and grasses. On other areas of the farm there are numerous tree corridors and a magnificent natural wetland that has a conservation agreement in place to protect it. Other areas are also fenced and managed for conservation.

What has this meant for water use at Kilmarnock? Later I will seek leave to table a document which will highlight that. Looking at this document you will see that, as a result of water use efficiency programs like those of Robyn and her group, the use of water to get the same yield of cotton bales per hectare has been reduced. That has been done by smart management of the cotton farms and also by a progressive and intelligent approach to the management of the water. I commend Robyn Watson and others for the lead they have taken in the restoration of the environment and, in particular, the water use efficiency that has been introduced as a result of it.

As I said at the commencement of my remarks, I do not want to affix blame. We have to fix the problem in relation to the efficient use of water. People like Robyn and John Watson, who since 1980 have been successfully growing cotton in that region despite droughts and floods, are pioneers in a district that is overwhelmingly involved in the cotton industry. Their work has led to a lot of social and economic benefits.

Robyn and John are the sorts of Australians who do not necessarily get the awards or, indeed, want them. When I had the opportunity last Friday to go to their farm and have lunch with them, I found them to be very shy but very determined people. In fact, when Robyn was talking about gum trees, I mentioned that I had been in Argentina last year and saw gum trees all over the country. She got a bit cross because they are an introduced species that does not have a natural predator to keep them under control. So it appears—and I am clearly not off the land—that they are pests in Argentina, whereas, because we have a natural means of control in our country, they are clearly not a pest but are in fact a blessing for our land and river systems.

It is always good on occasions like this to highlight to the Senate the activities of well-meaning, dedicated, intelligent Australians who are committed to improving their environment without, I understand, any significant government support. They have done it because it was required. They knew that there was a problem, and they fixed it. They did not run off and seek a government solution to their problems. They knew that this needed to be done. By their actions, they have been a beacon for all the men and women, particularly those from the farming community, in that region. It is in that light that I wish that they, and particularly Robyn, be commended today.

As I foreshadowed earlier, I seek leave to table a document about water use at Kilmarnock.

Leave granted.

Victorian Bushfires

Senator FIFIELD (Victoria) (1.00 pm)—You will forgive us Victorian senators if we have seemed a little distracted this past week. Our minds have understandably been on events back home. As I turn to those events, I am very pleased that my friends Senator Kroger and Senator Ryan are in the chamber with me. Victorians will not soon forget the soaring temperature on Saturday, 7 February 2009. Victorians will not soon forget the incredible wind of that afternoon, a wind that combined with that kiln-like heat to wreak such carnage.
The devastation in my home state of Victoria is of a scale that is hard to comprehend. In terms of loss of life, it exceeds Cyclone Tracy of 1974, Ash Wednesday of 1983 and the Newcastle earthquake of 1989. Indeed, in the past 30 years there have probably been only two tragedies, one natural and one far from natural, that have so gripped the nation and that have seen us all pause in horror. I speak of course of the Thredbo disaster and the Bali bombings. In sheer loss of life, however, the events of the past few days have exceeded them all. In the scale of their physical destruction, these fires are probably only eclipsed by Tracy and Ash Wednesday. This current disaster will too no doubt come to be known over time by its own unique and evocative name.

For most Australians, it will be in these terms and through such comparisons that they relate to and understand the tragedy of this week. The names of the towns will probably be unfamiliar to them. But for those of us in Victoria, these are places we know well. Our comparisons, our points of reference, will be to the places as we knew them. While Victoria might be one of the larger states in population, geographically it is an intimate place.

Kinglake and Marysville are places we have driven through and places where we have holidayed, have met friends, have relatives and have done business. I have my own particular fondness for the north-east of Victoria, having lived for a time on a farm at Ghin Ghin near Yea. Kinglake, Marysville, Flowerdale and Glenburn: that is the neighbourhood. They are towns and localities that Australia is now getting to know better. Each place has suffered horribly.

Yea has been fortunate thus far, and so it has become a haven for the region. I was talking last night to my daughter’s Granny and Pa, who live in Yea. They had just come back from the oval behind the main street, which has become a refugee camp, a tent city. They had just helped to feed 400 people and were heading back this morning for the 5 am breakfast shift. And I have spoken to others who have opened their properties and homes to the displaced. This generous community spirit is in abundance.

Like many of us I have been touching base with friends and family to check that all is well. Some have lost farms and stock. Fortunately, none that I am aware of have lost their homes or lives. But that could change. Given the numbers who have perished, lost homes, businesses, plant or stock, most Victorians will know someone who has suffered loss. Over 180 souls and probably many, many more have perished in more than 20 localities through Victoria.

Beyond the physical destruction this is about the lives lost, the families left behind and the injured and damaged. It is about people like Sam, who was on one of the morning television programs on Monday. Sam did not know where his wife and children were; he did not know how they were—such unimaginable anguish. The next morning, the same program carried an update. The news did not sound good. We should all pray for those in anguish, for those in pain, for those in recovery and for those who grieve. And we should give thanks for those who serve them in hospital and in the emergency services, for those who have risked and continue to risk their lives and for those who bear the burden of caring. We are indeed fortunate to live in a country that has the resources and capacity to mount a defence against disaster, to care and to rebuild. The number of personnel and assets pressed into service in this operation are roughly equivalent to the current Australian Defence Force overseas deployments—such are the logistics of this endeavour.
There will be a time to reflect on and to learn from the climatic, environmental and criminal events that preceded the fires and the civil defence effort that followed. This is not that time. But the Premier of Victoria is to be commended for announcing the establishment of a royal commission. Indeed, this was the only appropriate review in light of the nature and scope of this tragedy. This chamber too should consider if there is any role for its capacity for inquiry. But that is a question for serious and sober discussion on another day.

A speech like this can achieve very little in a practical sense. But in this place we can acknowledge the significance of these awful events. In this place, we can reflect on the magnitude of the tragedy. But, more particularly, this is the place where the nation can both express and give effect to its resolve to help, to care, to learn and to rebuild.

**Victorian Bushfires**

Senator FEENEY (Victoria) (1.06 pm)—

I rise as a Victorian senator to make some remarks concerning the terrible events that have wrought such havoc in my state and in particular to support the comments made during yesterday’s condolence debate in response to the catastrophe on Saturday. I remember waking up on Sunday and being shocked and astonished, as was every Victorian and, indeed, every Australian. In particular, I was shocked at the prospect of a death toll that at that time numbered in the order of 40 persons. As we all know far too graphically, that number has now expanded many times. The toll now stands at over 180 persons, and it seems that final toll is on the cusp of becoming very much greater. Of course, that does not take account of the many hundreds of people who are injured and the many hundreds of people who are now homeless.

I begin by extending my deepest sympathies to the families of those who have lost their lives. I fear this will be a very great number of people. They will need our support for a very long time. In that vein, I was very pleased by the Prime Minister’s statement offering the full resources of the federal government to assist them in their hour and indeed their weeks of need. This is on top of the very prompt action taken by the Victorian government in providing immediate and large-scale material and financial assistance.

It is hard to comprehend that such a disaster could happen on a summer afternoon in peaceful Victoria. While most of us in Victoria were going to the beach, watching the cricket or relaxing in the shade, trying to hide from some of the most punishing hot weather Victoria had ever experienced, scores of people were losing their lives in the most terrible way, some of them only an hour’s drive from Melbourne in picturesque country towns like Kinglake, Marysville, Narbethong and Hazelwood. Hundreds more were losing their homes.

As many Victorians have stated in considering these dreadful events, these are well-known towns to Victorians. They are leafy, comfortable, delightful places proximate to Melbourne and are frequented by both their local inhabitants and Melburnians. My own wife, Liberty Sanger, is a native of Wodonga and my in-laws and family live throughout north-eastern Victoria in Wodonga and Wangaratta and thereabouts. I do not think that makes me unusual. I think these are common connections amongst Victorians, and they bring into sharp relief the exact focus, the exact magnitude, of this disaster.

In terms of loss of life, this was the worst peacetime disaster ever to occur on Australian soil. In all of modern Australian history it compares only with the loss of 645 lives on HMAS Sydney in 1941 and the 251 killed in
the bombing of Darwin in 1942—both wartime events. If the worst fears of Victoria Police are realised, the toll from this catastrophe may eventually exceed 300. Many of us remember Ash Wednesday and Cyclone Tracy. This event was worse than both put together. After 70 years we have not forgotten the terrible fires on Black Friday in 1939 in which 71 died. This was more than twice as bad, and I am sure these fires will be remembered for at least as long.

On Monday we heard very moving statements from the Prime Minister, the Leader of the Opposition, the Leader of the Australian Greens and other senators. Three Victorian senators, Senators Conroy, Ronaldson and Fielding, spoke with great emotion about the appalling loss of life and property in our state. Indeed, every Victorian today is in shock and mourning. Everyone who spoke in this House in the condolence motion on Monday rightly paid tribute to the firefighting, police, emergency services workers, doctors and nurses and all the other people who have responded so magnificently to this disaster. In fact, it is true to say that there were more Victorians mobilised to fight those fires on that dreadful Saturday than in any other emergency services operation in Victorian history.

Today I want to be a bit more specific. I want to pay particular tribute to the 60,000 volunteer firefighters and 1,200 paid staff of the Country Fire Authority who have been battling these fires for days without respite and are still doing so. They have been on the front line against these fires, as they are in every fight against bushfires. Although many lives have been lost, many more have been saved by the skill, heroism and dedication of these firefighters. Most of these firefighters live in the communities which have been worst affected by these fires. Indeed, that is why many of them joined the CFA in the first place. Many of them lost their own homes while they were fighting to save other people’s homes. Tragically, some of them have lost family members to the fires. They all deserve our highest praise and our continuing support. So too do those members of the metropolitan fire brigade who have gone out to the affected areas to help their comrades in the CFA. The professional staff of the CFA and the MFB are all members of the United Firefighters Union, a very dedicated and hardworking organisation which has done a great deal to improve the working conditions of professional firefighters. These men and women risk their lives, and sometimes lose their lives, to protect the lives and property of their fellow Victorians. I take this opportunity to thank the UFU for its advocacy on behalf of firefighters and its commitment to improving the effectiveness of our firefighting services.

It is a similar case with the Australian Workers Union, Australia’s oldest union. It was founded in Creswick, Victoria in 1886 as the Australasian Shearers Union. Over the last week more than 600 members of the AWU employed by the Victorian Department of Sustainability and Environment, the Department of Primary Industries and Parks Victoria have been working very long shifts to aid the firefighters in protecting homes, farms, public buildings, state forests and national parks and, of course, all of those people who live and work in these affected areas. In addition, many of the 300 AWU members working on the North-South pipeline, which runs through the fire zone, were also diverted to join the struggle against the fires. All too often in reckoning the many contributions in these fights, the contributions of agencies such as the DSE, the firefighters, the rangers and others who work in them are forgotten, and I take this opportunity to make some small contribution towards making sure those agencies receive appropriate recognition.
Like all Victorians, I have been very impressed by the way the whole community has come together to fight the fires and to assist those affected by them. The Victorian Premier, John Brumby, has provided outstanding leadership. Yesterday, Mr Brumby announced the establishment of the Victorian Bushfire Reconstruction and Recovery Authority, which will be headed by the retiring Victoria Police Chief Commissioner, Christine Nixon. I cannot think of a better choice than Commissioner Nixon, a brave commissioner who has won the respect of all Victorians, to head such a vital agency.

Yesterday, the Prime Minister pledged that the national government would assist in every way possible with the long and difficult task of rebuilding the towns devastated by the fires and the towns in North Queensland devastated by the recent floods. He committed an extra $5 million in immediate aid to the people of these communities. He also said that the government’s $6.4 billion social housing fund, which is a part of the economic stimulus and nation building plan currently before the Senate, would be available to the Victorian and Queensland state governments to help meet the housing needs now arising out of the disaster in these affected areas. Victoria will be able to draw on the $1.5 billion it can expect to receive from the social housing fund. In a similar way, Queensland will be able to draw on its $1.3 billion share of those same moneys. Similarly, state governments will be able to use part of the $14.7 billion Building the Education Revolution funds for the repair of schools in disaster affected areas. In addition to all of that, most of the thousands of people affected by the fires in Victoria and by the floods in Queensland will be eligible for the immediate payment of $950, which is part of the government’s $42 billion Nation Building and Jobs Plan, commonly known as the stimulus package, to stimulate demand, keep our economy out of recession and prevent more people from losing their jobs.

I notice that there has been some small, albeit muted, criticism of these announcements on the grounds that, since the government’s package is being opposed in this place by the Liberal and National parties, announcing that Victoria and Queensland will be able to use part of this money for rebuilding houses and schools is somehow improper. It is true that the bills that will create the Nation Building and Jobs Plan have not yet passed the Senate. If they are defeated, the social housing fund and the schools fund will not come into existence, and the Commonwealth will then be forced to find some other mechanism to assist Victorian and Queensland communities to rebuild their homes and their schools, and indeed their lives. Also, if the bills are defeated those thousands of Victorians and Queenslanders affected by the fires and floods will not receive their $950 payment. But does that mean that it is somehow improper for the Prime Minister to announce that some of these funds will be available to the states for disaster reconstruction? I do not believe so. There are plenty of precedents. The former government spent millions of taxpayer dollars on advertising to promote the GST and the Work Choices bills long before the relevant pieces of legislation had passed the parliament. We are not doing that; we are merely making an announcement to assist Victoria and Queensland in planning the reconstruction of their disaster-ravaged states. Decisions on these matters need to be made soon, and it would be irresponsible for the Commonwealth to leave the states and the affected communities dangling in uncertainty about whether they will have access to these critically important moneys.

I will make one further point about the cash payments. The purpose of this part of the stimulus package is to put money into the
hands of people who will, and who need to, spend it quickly, thus helping to maintain demand in the economy, which in turn maintains employment. Some of those opposite may not accept that linkage but this is the advice the government has from every major economist, not least of them the IMF, and it would be irresponsible of us not to act on that advice. I ask: who better to receive these moneys than the thousands of people in Victoria who have lost most if not all of their property—their homes, their cars, their furniture, their clothes, their bedding? These people urgently need to buy new household goods, and these grants, on top of the other forms of emergency aid already announced, will enable them to do so. It seems very logical to me that, if on the one hand we need to stimulate demand, as every economist is recommending, and on the other hand we need to transfer money quickly to individuals affected by the fires and floods so that they can rebuild their lives, we should do both simultaneously, thus achieving both our economic and our humanitarian objectives. I do not know what alternative is being proposed, apart from endless debate in this place. In this connection let me quote Olivier Blanchard, chief economist of the International Monetary Fund, who said late last week:

… commit to do whatever it will take to avoid a Depression … adopt clear policies and act decisively. Do too much rather than too little. Delays in financial packages have cost a lot already. Further rounds of debate will stoke uncertainty and make things worse.

That advice was given in relation to the urgent need to enact stimulus packages to prevent Western economies from sliding into recession, and it is very good advice. It is also relevant advice when we consider the urgent need to assist individuals, families, communities and states so grievously affected by last weekend’s fires in Victoria and by the floods in Queensland. These people need our assistance now. That is why the Prime Minister pledged to support them yesterday, and that is why I am sure he will have the support of every Australian.

Senator Kroger (Victoria) (1.20 pm)—I rise, with my colleagues Senator Fifield and Senator Ryan, to talk about the bushfire tragedy that is consuming our state of Victoria. Words are totally inadequate in expressing the devastation of lives and the terror that the bushfires have wreaked on the people of Victoria, and which continue to do so. It is up here on Capital Hill that the strength of words, the power of the pen and the conviction and persuasive eloquence of members and senators determines the direction of governance and, in many cases, the safekeeping of all Australians. Today, I humbly stand before you, Madam Acting Deputy President Brown, knowing that this counts for nothing. It makes absolutely not a sod of difference to those who have suffered or lost their lives in this inferno, where their preparations and best-laid fire protection plans have counted for nothing.

The people of Australia have been frozen in horror as we have been witnessing the continuing terror that rains down and consumes so many of our fellow Victorians—and, for many, their family and friends. This natural disaster that has taken more lives, more property, more homes and more livestock has sent a clear message to all policymakers at a state and federal level. People must always come first. Politics is irrelevant, except when it provides the support necessary to help people get through the trauma that has ravaged their families. Politics for politics’ sake has absolutely no part in this tragedy, nor is it a part of the Australian fibre. I would like to acknowledge the way in which this place and the other place have suspended business as usual. It has clearly
demonstrated that families’ immediate needs are more important than the quick exchanges across the benches, and for this I am very grateful. I would like to also thank my colleagues on both sides for the tremendous emotional support and camaraderie that has been provided. The immediate and long-term needs of families need to be, and should be, considered independently and separately from any other considerations. This is a natural disaster of untold proportions that requires political unity of purpose and determination, and is not to be used for any political agenda.

My thoughts continue to be with the hundreds of Victorians who have lost their lives. The sheer terror that they must have endured in their last moments is beyond imagination. My thoughts and prayers are also with those in hospitals fighting for their lives, those recovering from fire related injuries and their friends and relatives who share their pain whilst they sit by their sides, hold their hands and provide what comfort they can. My family is the reason why I get out of bed every morning, my sons provide the oxygen I breathe, and it is incomprehensible to imagine what these people were thinking in their final moments.

Today we grieve for the O‘Gorman family from Humevale, just one of many. Alan O’Gorman, a staunch member of the Liberal Party, lost his life fighting impossible odds side by side with his lovely wife, Carolyn, and their youngest child, Stuart. Only last Thursday they were celebrating with family and friends Stuart’s 18th birthday. Within days those same family and friends are trying to come to terms with the anguish of never seeing them again.

We have many friends who live in the area and we are anxiously waiting to hear that they all are safe. Liberal Party members consider themselves to be one big family, as so many of us spend so much time in each others’ company—in fact, many of us see more of each other than we do our extended families. My Victorian colleagues and I have spent a difficult morning concerned about one such family, and I am delighted to say that we have heard that they are safe and well. Our bonds are very strong on this side of the chamber.

Messages of support continue to come in from not only Australians but the global community, who have been witnessing the graphic scenes, listening to heroic stories of survival and crying over the pages of the newsprint every morning. I do not want to dwell on these; they are being covered far more adequately than I ever could. But I do want to take this opportunity to salute the many heroes—the emergency services and volunteers who have put their lives on hold so that they could make a difference. These people are our modern day Anzacs. They continue to put themselves in life-threatening situations to protect their mates, even as we speak. The magnitude of this generosity can only be appreciated when you look at the holocaust-like photos where the intensity of the heat has melted steel girders, of the houses that have imploded from within, of where the incinerated shells of cars have littered roads whilst the occupants have tried to beat the raging flames.

In the trail of destruction left in areas like Churchill, Kinglake, Whittlesea and Marysville, areas where so many of us have visited to enjoy the natural beauty and peace that they offered, CFA volunteers are securing the areas and ensuring the safety of emergency workers whilst they search for survivors. There are tens of thousands of these volunteers. Most will maintain their anonymity, but my heart goes out to them for their incredible strength, generosity of spirit and compassion. The tasks that they are undertaking are too extraordinary for words to pay
tribute to. Some of these volunteers have attempted to describe the magnitude of the task they are undertaking—and, in their doing so, we can only appreciate the emotional and physical toll it is taking on them and their families.

To the thousands of Australians who are opening their hearts and homes to those who are suffering, I say thank you. The bushfire appeal is a wonderful example of the greatness of the Australian spirit, yet it is just one. Despite the difficult economic circumstances that so many families personally face, they have sacrificed what little they have for others. People in the bush have been ravaged by a 10-year drought, many are facing financial ruin, and yet they still give, whether it is in goods that can be used or equipment that can be utilised in such an emergency. The Australian spirit is known for its resilience, its strength, its capacity to pull together in extreme conditions, but most of all for its compassion.

It goes without saying that those directly impacted by this disaster will need our emotional, physical and financial support for a very long time—and it must be given, for as long as it takes. The volunteers who are dealing with the war zone-like conditions must not be forgotten. They too will need all our support once the imminent danger is past, because many have had to put their emotions on hold.

Neither today nor tomorrow is the day for recriminations, for finger pointing, for exclamations of ‘I told you so.’ There will be the right time for people to sit down, with cool heads, and assess what has happened and what measures, if any, could have been taken to minimise the enormous human loss. Property, houses, fences, equipment and communities can all be structurally rebuilt, but nothing can bring back loved ones who have been lost. There are many things that we may learn over the coming months that will assist us in safeguarding our homes and our loved ones, but this must be undertaken with goodwill and a unity of purpose. The blame game must be left behind and we must work together with one voice to rebuild and strengthen our great state of Victoria.

**Victorian Bushfires**

**Machado-Joseph Disease**

Senator CROSSIN (Northern Territory) (1.30 pm)—Before I begin my contribution on the matters of public interest, I want to place on record my profound sadness and regret at what has occurred in Victoria. I was born in Melbourne, I grew up there and I lived there for the first 24 years of my life. I can vividly picture the beautiful towns of Kinglake, Whittlesea and Wandong and the many others that have been hit by this tragedy. There is no doubt that this country is in shock at the enormity and the gravity of this natural disaster. I know that each and every one of us, right around this country, has those families and communities in our thoughts and prayers and will do whatever is physically possible to assist.

I am hearing stories of schools and Indigenous communities in the Northern Territory who are thinking about what they can do this week and next week to raise funds and provide assistance, despite the fact that they are thousands and thousands of kilometres away. As Senator Feeney mentioned in his contribution, Victoria is not alone in being wracked by natural disaster. In the Northern Territory, there are vivid memories and stories of what happened during Cyclone Tracy. I think it is comforting to know that right around this country, no matter where they live or how far away they are, people are standing in support of people in Victoria during this time.

I want to use my opportunity this afternoon to put on record some information...
about a disease that had its foundations in Groote Eylandt and is becoming more prevalent and gaining national attention. That is Machado-Joseph Disease, or MJD, as it is commonly known. I want to highlight to the nation what this disease is and what is being done to find a cure. There is no doubt that it is a disease that is rarely heard of. It needs to be brought to national attention and given some national significance.

Machado-Joseph Disease is a rare hereditary condition that causes the nerve cells to die prematurely. It is caused by a defect in a chromosome that results in the abnormal production of protein. It has been described to me by researchers and professors as like having a drain in a kitchen sink gradually being blocked, changed and disfigured so that the content of that sink—that is, the protein—just builds up and up. The result is that the nerve cells die prematurely in the part of the brain that we know as the cerebellum.

The symptoms of MJD are clumsiness and weakness in the arms and legs; spasticity; a staggering, lurching walk that is easily mistaken for drunkenness; difficulty with speech and swallowing; involuntary eye movements; and double vision. When you get such major damage to the cerebellum you eventually end up with a total lack of voluntary control and very significant permanent physical disability. MJD is inherited. It is an autosomal dominant disorder, which means that each child of a person who carries the defective gene has a 50 per cent chance of developing the disease. In addition to the defective disease being passed on to the next generation, the symptoms of the disease appear eight to 10 years earlier and with more severity in that generation.

The disease is prevalent on Groote Eylandt. Fifty per cent of that small community has a chance of the disease kicking in and becoming abnormal at some time. It can occur at any time in your life. I have seen it just starting to appear in four-year-olds and in 60-year-olds. If you start to develop it, you can guarantee that at least 50 per cent of your children will get it, and they will get it 10 years earlier than you did. There is currently no cure for MJD.

For many years people on Groote Eylandt thought that they were the only people that suffered with MJD. In fact, 20 or more years ago it was thought that MJD was a result of the manganese in the atmosphere from the Groote Eylandt mining operations. People up there were somehow led to believe or thought for whatever reason that the mining operations related to this disease. But we now know, thanks to an amazing breakthrough in 1994 by some Japanese researchers, that people all over the world are going through similar pain and suffering due to MJD. There are people in Portugal, Brazil, England, the USA and China suffering from this disease. We suspect, through research, that trading relationships between the Portuguese and the Macassans of Indonesia, who also traded with people in north-east Arnhem Land, caused this disease to be inherited over many, many generations.

Investigation into the Machado-Joseph disease, which was previously known as the Groote Eylandt syndrome, has been sporadic since the early 1980s. Aboriginal people within the North-East Arnhem Land area have known about the effects of this disease for at least four generations—so going back many tens of years. And as I said, in 1994 there was a major breakthrough in the discovery of the gene, its effects, and the impact it has on people, by researchers in Japan.

In 1995 the Northern Territory Department of Health undertook a study by Dr Tim Burt who confirmed that what was known as the Groote Eylandt syndrome is in fact MJD. Since then we have seen action plans devel-
oped, guidelines established, care plans established and disability reports printed into coming to terms with how to manage its debilitating effect. In 2005 there was an MJD coordinator position established by the Northern Territory Department of Health.

Last year we had a significant breakthrough. In 2008 the Rudd Labor government committed $100,000 to address MJD in the Groote Eylandt region through the Anindilyakwa Land Council. It was the first time a national government had recognised that the disease needed supporting and needed financial assistance. The funding was used to employ a health professional that would assist in the provision and delivery of genetic counselling, education and testing services and also the development of an education campaign for the general community and service providers.

The severity of this disease is now recognised of course and its impact on the Groote Eylandt region. It impacts not only on individual sufferers and their families but also on the whole community. So we are talking about the need for major respite centres. We are talking about the need for wheelchair access and the need now for 24-hour full-time care for not a few people but 50 per cent of the community. This is half the community, hundreds of people. It is impossible to predict the number of people who will develop MJD. Currently there are 277 people thought to be at risk of developing the disease in East Arnhem Land. There are currently 128 on Groote, 97 at Yirrkala and 52 at Galiwinku. And at risk of course are individuals that have a direct descendant of those with the disease. So in years to come we may well in fact see those numbers blow out to more than 300 or 400.

On 30 August last year I had the absolute pleasure to be on Groote Eylandt and to witness and be part of the launch of a new foundation that will be established to look at gathering funds for further research into this disease. The Machado Joseph Disease Foundation was launched in August last year. It has been set up under the auspice of a national committee. It has since had its launch in Sydney on 30 October. It is a national foundation with the aim of providing a better quality of life for sufferers of MJD in North-East Arnhem Land by providing improved services, accessing local and international research, implementing practical solutions, getting greater levels of community infrastructure and transportation options to sufferers and by facilitating comprehensive genetic education programs.

The MJD board has Libby Morgan as its chairperson and Gayangwa Lalara as the vice-chairperson, and of course the Lalara family in the Groote Eylandt community is severely impacted by this disease. There are also Nadia Lindop, and Kathy and Bryan Massey. Kathy and Bryan are two wonderful people who have spent the best part of 30 years of their lives on Groote Eylandt and have just recently left the island for retirement and, I might add, have just recently been acknowledged in the Australia Day honours. Kathy and Bryan are significant supporters of the foundation and a significant couple who have worked for years to try to get this disease recognised. And of course there is the Anindilyakwa Land Council representative, Tony Wurrarmarra.

So this disease has now been recognised through a national foundation. It was terrific in August to be on Groote Eylandt to meet such wonderful people and researchers from right around this country and from overseas as well, particularly Professor Jorge Sequeiros from Portugal who has been working and researching this disease. It was just amazing to see the people on Groote Eylandt looking at photos of people from China, Portugal and from all around the world that had
a similar disease. The fact that it was no
longer the Groote Eylandt syndrome but an
international disease provided in some way
some comfort to people on Groote Eylandt
and North-East Arnhem Land, providing
them perhaps with hope in finding a cure.

In fact Professor Sequeiros said to me that
there is a cure. It is like a mathematical com-
bination: we know that there are possibly
five million answers out there; we have just
got to go through them one by one and it is
going to take us more than 10 years to do it
and a lot of money. In his speech to the
community on that day he had this to say:

Much research is being done here in Australia but
also in many other countries. This is because
MJD is all over the world not just here in Groote.
You are not alone in this affliction. Many other
persons, many other families, are going through
similar pain and suffering and similar struggle to
find associations like this in many places—

He is referring of course to the MJD Founda-
tion. He went on:

and there are foundations such as this in Portugal,
England, Brazil and the US. They have given me
photos of many of their local patient families for
me to bring and to show you that MJD is in fact
all over the world.

What I want to do today in this contribution
in this place is to encourage people to have a
look at the Machado Joseph Disease Founda-
tion website, to become an associate member
and support the work of this association. It
does not have the national profile that a lot of
other diseases have, because at this stage it is
only in three communities in this country,
but it does deserve the recognition from this
nation and it does deserve our energies and
efforts in supporting this foundation to find
the funds for research and sifting through
those five million answers until we finally hit
the jackpot so that we can open up that
blocked sink for people and let that accumu-
lated protein develop and be removed from
their bodies, giving them a normal life.

This foundation has been sponsored by
Vincent Aviation, GEMCO, the Dugong
Beach Resort, Gilbert+Tobin, Perkins Ship-
ning, Browndog Productions, Kate Freestone
Photography, Driver Web Design, the Groote
Eylandt Car Co., the Darwin Airport Resort
and a whole heap of other businesses. In the
first couple of months it has launched a
newsletter and has developed its constitution
and its board. It has attracted many great
sponsors, who have helped it. The Machado
Joseph Disease Foundation is new—it is less
than 12 months old. It provides a valuable
service to the sufferers of this disease in the
north-east Arnhem region. I strongly encour-
age people to get on board and become asso-
ciate members.

Victorian Bushfires

Senator RYAN (Victoria) (1.46 pm)—I
rise to join my Victorian colleagues this af-
fternoon, especially my good friends Senators
Fifield, Kroger and McGauran, and to join
the statements of condolence made here and
in the other place regarding the tragic events
in Victoria over the last week. It is difficult
to find the words to speak of this and at the
same time I feel so distant from the tragedies
unfolding at home. The horrific bushfires of
Ash Wednesday are some of my formative
memories, albeit as a child in Melbourne.
Friends lost homes, but fortunately all were
safe. I had hoped to never have to speak in
this place to commemorate such a tragedy.

Others have outlined the series of fires
that have destroyed and killed throughout
Victoria over the last century and a half—
1851, 1939 and, of course, 1983, amongst
many others. All these represent the tragedy
of lives lost and hopes dashed. It is difficult
for us to not wonder how, with all the mod-
ern technology at our disposal, with commu-
nications and equipment that we could not
have dreamed of even only 26 years ago, this
could be worse than those. But the events of
the last week remind us that the threat of horrific, wild and destructive fire is a disastrous thread throughout Victorian history.

Last Friday we were warned that Saturday was going to be the worst day of fire risk in living memory, with record temperatures following a record heatwave accompanied by the Victorian summer northerly wind that I once recall a firefighter describing as ‘the very breath from hell itself’ and combined with the bush made tinder dry by the drought. There is an obscene cruelty in the fact that the drought that has already caused so much pain and hardship for so many in our regional and rural communities became the fuel for the death and destruction we are witnessing this week.

When we heard on Saturday that fires had started, we feared the worst. Those not there cannot conceive of the hell that was about to embrace our fellow Victorians and in some cases our friends and family. As we slept, the people of Kinglake, Flowerdale, Marysville, Strathewen, Churchill and towns throughout Victoria fought for their lives. It was a battle that so many of them tragically lost. They fought against a firestorm unprecedented in its ferocity, a fire that experienced firefighters have described as like nothing they have ever seen.

As we woke on Sunday we began to hear the first stories of towns wiped out and the tragic toll of dozens being killed. We heard of people racing the fire as they sped away as fast as feet or cars would take them and of people searching for families and friends. Towns were destroyed on a scale imaginable only in wartime. A close friend of mine in London was trying to find out about his mother who lived in Marysville. I never thought that receiving an SMS from overseas saying that his mother now owned nothing more than a car, a dog and a toothbrush would be good news, but it was.

The stories that came through that last Sunday will stay with us forever. I cannot conceive of the sheer terror through which these people lived and in which so many spent their last hours. Families sat on parched football ovals, watched their homes burn, heard the screams of neighbours and friends, or raced against the fire past burnt out wrecks of the homes and cars of neighbours and friends. We hoped in vain that it would end there, but we then began to hear of those who had not made it.

We saw pictures of those who had been unable to escape. We saw burnt out cars. Families were found together. They had huddled in fear as every plan they had put in place, all the expert advice which they had heeded and every preventative step they could possibly take proved futile against a fire so fast and so intense that houses exploded, cars and metal melted and the oxygen was sucked from the air around them. Yet, as the death toll rose, so did the warnings of much worse to come which have continued today. Every morning since, we have woken to a rising toll and warnings of yet more towns and more communities under threat. This tragedy has a long way to run.

Just as we have been shocked by the stories of what we have heard, we have also heard of tremendous sacrifice. The men and women of Victoria’s CFA, DSE, SES, MFB, thousands of other volunteers and those who have fought this battle and assisted in the aftermath have moved us all. Many left their own homes and families to fight for the lives of others, in many cases suffering tremendous loss themselves. Words cannot do justice to those who have undoubtedly saved the lives of hundreds or thousands of others. Our thanks and gratitude somehow seem insufficient.

This tragedy has touched us all. As my colleagues have noted, this morning we have
had confirmation of the deaths of members of our own party and news that others are still missing. To the O’Gormans and all our friends all I can say is that all the prayers of the Liberal Party and all Australians are with you.

As I mentioned, this tragedy is not over yet. Thousands of people are waiting on news about family and friends. As the member for McMillan outlined yesterday, there are towns still under threat and the horrific job of identifying victims has only just commenced. I do not believe those of us who have not experienced this can ever truly understand; we can only offer our sympathy in grief and our support in recovery. We should resolve now to take every step, dedicate every resource within our power to never allow this to happen again. We owe our fellow Australians nothing less.

As the battle against the fire continues, the battle for many has only just begun. We should make the commitment now to not let this issue slip from our sight, to not turn our minds from this as time passes and to never forget what these communities have gone through as we stick with them through the difficult months and years to come.

BUSINESS

Senator STEPHENS—I am happy to respond. I was asked to do that to facilitate getting people into the chamber for the two o’clock business.

Senator Abetz—Of the government.

Senator STEPHENS—We were expecting the senator to speak for his full time; that is all. There is nothing untoward here.

Senator ABETZ (Tasmania) (1.53 pm)—I am sure it is like this morning, when the government was not ready with its officials to answer questions in the committee stage. We are now seeing another seven minutes wasted, all part of the filibustering that we have observed all morning in the government’s desperate attempt to cobble together something in relation to its now much questioned spending spree policy. The government controls the show. If it wants to adjourn, of course it is entitled to, but it exposes the myth and the misrepresentation by the Leader of the Government in this place last week that this legislation had to be passed by Friday last week and that it was absolutely urgent. We have had filibustering this morning, and now more time is being wasted by adjourning the Senate.

Senator O’BRIEN (Tasmania) (1.54 pm)—The explanation for the adjournment is that we are due to go to certain other business at 2 pm. Given that it was not expected that the Senate would get back to the urgent and pressing business until after that and that other people, who have been in here all morning, would not be able to get back here in time, it was thought appropriate that, rather than waste the time of the Senate, we suspend for a couple of minutes, deal with those matters and then get on with the pressing business. That is the reason the government has been asking, through the parliamentary secretary, for the debate to be adjourned. It is not to avoid the debate; it is
simply a matter which we think is for the convenience of the Senate.

Question agreed to.

Sitting suspended from 1.55 pm to 2.00 pm

NOTICES

Presentation

Senator Cormann to move on the next day of sitting:

(1) That the Senate orders that the following information be produced to the Select Committee on Fuel and Energy by noon on Friday 13 February 2009:

(a) the information referred to in paragraph (b) of the Senate’s order for documents of 4 February 2009 relating to the Department of the Treasury modelling, Australia’s Low Pollution Future: The economics of climate change mitigation;

(b) any information and documents generated by the government for the purpose of the composition of that information.

(2) That the committee may make the information described in paragraph (1) available to the person contracted by the committee and referred to in paragraph (a) of the Senate’s order of 4 February 2009, and any person appointed by the leader of a party in the Senate or an independent senator, duly notified to the committee, to examine that information and report to that senator.

(3) That the committee, any senator and any other person referred to in paragraph (2) treat the information produced in accordance with paragraph (1)(a) of this order as confidential, and not publish the information to any other person except as authorised by this order.

(4) That the committee may refer to the information produced to it in accordance with this order and any conclusions reached from it in a report to the Senate, but shall not disclose the information in such a report.

Senator Scullion to move on the next day of sitting:

That the time for the presentation of the 2009 reports of the Select Committee on Regional and Remote Indigenous Communities be extended to 15 June 2009 and 26 November 2009.

Senator McEwen to move on the next day of sitting:

That the following matter be referred to the Environment, Communications and the Arts Committee for inquiry and report by 14 May 2009:

The reporting of sports news and the emergence of digital media, with particular reference to:

(a) the balance of commercial and public interests in the reporting and broadcasting of sports news;

(b) the nature of sports news reporting in the digital age, and the effect of new technologies (including video streaming on the Internet, archived photo galleries and mobile devices) on the nature of sports news reporting;

(c) whether and why sporting organisations want digital reporting of sports regulated, and what should be protected by such regulation;

(d) the appropriate balance between sporting and media organisations’ respective commercial interests in the issue;

(e) the appropriate balance between regulation and commercial negotiation in ensuring that competing organisations get fair access to sporting events for reporting purposes;

(f) the appropriate balance between the public’s right to access alternative sources of information using new types of digital media, and the rights of sporting organisations to control or limit access to ensure a fair commercial return or for other reasons;

(g) should sporting organisations be able to apply frequency limitations to news reports in the digital media;
(h) the current accreditation processes for journalists and media representatives at sporting events, and the use of accreditation for controlling reporting on events; and

(i) options other than regulation or commercial negotiation (such as industry guidelines for sports and news agencies in sports reporting, dispute resolution mechanisms and codes of practice) to manage sports news to balance commercial interests and public interests.

Senator McGauran to move on the next day of sitting:

That the Joint Standing Committee on Treaties be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 10 March 2009, from 7 pm.

Senator Cormann to move on the next day of sitting:

That—

(1) The provisions of the Excise Tariff Amendment (2009 Measures No. 1) Bill 2009 and the Customs Tariff Amendment (2009 Measures No. 1) Bill 2009 be referred to the Community Affairs Committee for inquiry and report by 13 March 2009, together with the following matter:

The impact of the tax on ready-to-drink alcoholic beverages, the so-called ‘alcopops’ tax, since its introduction on 27 April 2008, with particular reference to:

(a) the revenues raised under the alcopops tax measure;
(b) substitution effects flowing from the alcopops tax measure;
(c) changes in consumption patterns of ready-to-drink alcoholic beverages by sex and age group following the introduction of the alcopops tax;
(d) changes in consumption patterns of all alcoholic beverages by sex and age group following the introduction of the alcopops tax;
(e) any unintended consequences flowing from the introduction of the alcopops tax, such as the development of so-called ‘malternatives’ (beer-based ready-to-drink beverages);
(f) evidence of the effectiveness of the Government’s changes to the alcohol excise regime in reducing the claims of excessive consumption of ready-to-drink alcohol beverages;
(g) any evidence of changes to at risk behaviour or health impacts (either positive or negative) as a result of the introduction of the alcopops tax;
(h) comparison of the predicted effects of the introduction of the alcopops tax, with the data of actual effects, with a particular focus on evidence (or lack thereof) collected by the relevant department; and
(i) the value of evidence-based decision-making in the taxation of alcoholic products.

(2) In conducting its inquiry, the committee must take evidence from the:

(a) Alcohol and other Drugs Council of Australia
(b) National Drug Research Institute;
(c) Winemakers’ Federation of Australia;
(d) Independent Distillers Australia;
(e) Australian Institute of Health and Welfare;
(f) Public Health Association of Australia;
(g) Australian Hotels Association;
(h) Distilled Spirits Industry Council of Australia;
(i) Australian Drug Foundation;
(j) National Drug and Alcohol Research Centre;
(k) Australian Medical Association;
(l) Australasian Associated Brewers;
(m) Department of Health and Ageing; and
(n) Preventative Health Taskforce.
Senator Sterle to move on the next day of sitting:

That the Rural and Regional Affairs and Transport Committee be authorised to hold public meetings during the sittings of the Senate, from 3.30 pm to 6.30 pm, as follows:

(a) on Tuesday, 10 March 2009 to take evidence for the committee’s inquiry into the management of the Murray-Darling Basin system;

(b) on Wednesday, 11 March and Thursday, 12 March 2009 to take evidence for the committee’s inquiry into the import risk analysis for the importation of Cavendish bananas from the Philippines;

(c) on Tuesday, 17 March 2009 to take evidence for the committee’s inquiry into meat marketing; and

(d) on Thursday, 19 March 2009 to take evidence for the committee’s inquiry into public passenger transport in Australia.

Senator WORTLEY (South Australia) (2.00 pm)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that, 15 sitting days after today, I shall move:


I seek leave to incorporate in Hansard a short summary of the matter raised by the committee.

Leave granted.

The statement read as follows—

Accounting Standard AASB 2008-10: Amendments to Australian Accounting Standards—Reclassification of Financial Standards [AASB 139 and AASB 7]

Amongst other things, this instrument adds a new paragraph 50B to Accounting Standard AASB 139. That paragraph states that a financial asset (as defined) may be reclassified out of the fair value through profit or loss category in rare circumstances. The phrase ‘in rare circumstances’ is not precise. The Minister advised that the term had been adopted following its introduction in October 2008 into the international standards. The Committee has written to the Minister seeking further advice on manner in which this term is applied.

COMMITTEES

Legal and Constitutional Affairs Committee

Extension of Time

Senator O’BRIEN (Tasmania) (2.01 pm)—At the request of the Chair of the Legal and Constitutional Affairs Committee, Senator Crossin, I move:

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

(a) exposure draft of the Personal Property Securities Bill 2008—to 5 March 2009;

(b) provisions of the Disability Discrimination and Other Human Rights Legislation Amendment Bill 2008—to 26 February 2009; and

(c) provisions of the Federal Court of Australia Amendment (Criminal Jurisdiction) Bill 2008—to 26 February 2009.

Question agreed to.

Economics Committee

Reporting Date

Senator O’BRIEN (Tasmania) (2.01 pm)—At the request of the Chair of the Economics Committee, Senator Hurley, I move:

That the report of the Economics Committee on bank mergers be presented by 17 September 2009.

Question agreed to.

Education, Employment and Workplace Relations Committee

Extension of Time

Senator O’BRIEN (Tasmania) (2.01 pm)—At the request of the Chair of the Education, Employment and Workplace Relations Committee, Senator Marshall, I move:
That the time for the presentation of the report of the Education, Employment and Workplace Relations Committee on the oversight of the child care industry be extended to 18 June 2009.

Question agreed to.

Finance and Public Administration Committee
Meeting
Senator O’BRIEN (Tasmania) (2.01 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 on Thursday, 12 February 2009, from 3.30 pm, to take evidence for the committee’s inquiry into the Freedom of Information (Removal of Conclusive Certificates and Other Measures) Bill 2008 [2009].

Question agreed to.

Environment, Communications and the Arts Committee
Extension of Time
Senator O’BRIEN (Tasmania) (2.01 pm)—At the request of the Chair of the Environment, Communications and the Arts Committee, Senator McEwen, I move:

That the report of the Environment, Communications and the Arts Committee on the effectiveness of the Environment Protection and Biodiversity Conservation Act 1999 and other programs in protecting threatened species and ecological communities be presented as follows:

(a) first report—by 11 March 2009; and
(b) final report—on 24 April 2009.

Question agreed to.

Bushfire Cooperative Research Centre
Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (2.02 pm)—I move:

That the Senate—

(a) notes the extensive and internationally-recognised work of the Bushfire Cooperative Research Centre in Melbourne, Victoria; and
(b) recommends the Government assess the value of upgrading the centre to be a global wildfire research facility.

Question agreed to.

WHALING
Senator SIEWERT (Western Australia) (2.03 pm)—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) explain why it has not yet commenced 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 waves.

Senator LUDWIG (Queensland—Minister for Human Services) (2.03 pm)—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 to see it end, in-
cluding through high-level diplomatic engagement and advancing reform proposals through the International Whaling Commission. The chairs of the International Whaling commission released a document this week entitled “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 act of consideration of potential international legal action. The government calls on 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.

COMMITTEES

Membership

The PRESIDENT—I have received letters from party leaders requesting changes in the membership of committees.

Senator LUDWIG (Queensland—Minister for Human Services) (2.05 pm)—by leave—I move:

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

Australian Crime Commission—Joint Statutory Committee—
  Discharged—Senator Barnett
  Appointed—Senator Boyce

Community Affairs—Standing Committee—
  Appointed—

Substitute member: Senator Bernardi to replace Senator Adams from 11 February to 12 May 2009
Participating member: Senator Adams

Environment, Communications and the Arts—Standing Committee—
  Appointed—
  Substitute member: Senator Bilyk to replace Senator Pratt on 23 February 2009
  Participating member: Senator Pratt

Public Accounts and Audit—Joint Statutory Committee—
  Discharged—Senator Boyce
  Appointed—Senator Barnett.

Question agreed to.

DEFENCE LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2008

FEDERAL COURT OF AUSTRALIA AMENDMENT (CRIMINAL JURISDICTION) BILL 2008

First Reading

Bills received from the House of Representatives.

Senator LUDWIG (Queensland—Minister for Human Services) (2.06 pm)—I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator LUDWIG (Queensland—Minister for Human Services) (2.06 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—

DEFENCE LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2008

The purpose of the Defence Legislation (Miscellaneous Amendments) Bill 2008 (the bill) is to make amendments for three separate measures.

The first of the three measures will amend the Geneva Conventions Act 1957 and the Criminal Code Act 1995 to implement the third protocol to the Geneva Conventions in Australian legislation. Despite the Red Cross and Red Crescent emblems being exclusively used as universal humanitarian symbols, they have at times been wrongly perceived as having religious, cultural and political connotations. This has affected the respect for the emblems and has diminished the protection they offer to persons requiring and to the humanitarian aid providers operating in areas of conflict.

On 8 March 2006 Australia signed the Protocol Additional to the Geneva Convention of 12 August 1949 which established a third universal and distinctive emblem called a “Red Crystal,” for the Red Cross/Red Crescent Movement, which has no religious, ethnic, racial, regional, or political connotations.

This Protocol entered into force generally on 14 January 2007 and as at February 2008, 86 states have signed or ratified the Protocol.

The amendments to the Geneva Conventions Act 1957 will specifically incorporate a reference to, and description of, the Red Crystal emblem and reference the Protocol in Part IV of that Act, and the Protocol will be set out as a schedule in the Act.

This measure also amends the Criminal Code Act 1995 to specifically incorporate the Protocol III and the Red Crystal in the Dictionary to the Criminal Code; and ensure that the improper use of the Red Crystal is caught by the offences of “improper use of the emblems of the Geneva Conventions.”

As with the other emblems, the new emblem will be used only with the consent of the Minister for Defence. The new emblem is unlikely to be used in Australia for either indicative or protective purposes given the long standing recognition accorded to the Red Cross emblem. The new emblem may, however, be used by the ADF in certain regions overseas.

Incorporation would further demonstrate and enhance Australia’s credentials in international humanitarian law. It would also enable Australia to encourage states not yet a party to the Protocol to ratify it, both within our region and beyond.

The second measure will amend section 124 of the Defence Act 1903 to explicitly enable the making of regulations to cover the provision of medical and dental treatment including pharmaceuticals to an ADF member or cadet, or a member of the family of an ADF member.

At present, the Defence Force Regulations contain a limited provision that merely recognizes the provision of medical and dental treatment to members of the ADF so that they are healthy for the purpose of discharging their duties as well as cost recovery in specified circumstances.

The amendments to section 124 enable a more comprehensive regime in the Defence Force Regulations. The amendments will broaden the regulation making power to enable the making of regulations to cover the provision of medical and dental treatment (including pharmaceuticals) to an ADF member or cadet or a member of the family of an ADF member.

In relation to pharmaceuticals, it is intended that the Regulations will cover the possession, storage, supply, dispensing and administration of scheduled pharmaceuticals by ADF pharmacists, ADF medics, ADF Nurses, and civilian health professionals engaged by the ADF. The effect of the amendments would be to create a regime that would ensure that the ADF and its members are not hindered in the uniform application of their duties, here and overseas by competing State and Territory laws.

The third measure amends the Defence (Special Undertakings) Act 1952 to insert a new part to provide specific arrangements for the Joint Defence Facility Pine Gap.

The Joint Defence Facility at Pine Gap makes an important contribution to the security interests of both Australia and the United States of America, through the collection of intelligence by technical means and the provision of ballistic missile early warning information.
The methods used for collecting intelligence at the facility are sensitive and their public exposure could threaten their effectiveness and thereby diminish their contribution to national security. It is therefore important that the Joint Defence Facility Pine Gap is protected with effective legislation to deter unauthorized access to the facility.

This measure will strengthen the Commonwealth’s ability to successfully prosecute the existing offences under the Defence (Special Undertakings) Act 1952 in relation to the Joint Defence Facility Pine Gap, by:

(a) specifically declaring in the Act that the Joint Defence Facility Pine Gap is a special defence undertaking and prohibited area for the purpose of the Act; and

(b) inserting a purposive clause to make it clear that the Parliament’s power to legislate with respect to the defence of the Commonwealth is not the only constitutional basis relied upon for the Act.

By specifically declaring the facility a special defence undertaking and prohibited area directly under the Act rather than by the existing process that requires a Ministerial declaration will provide a firmer basis for any future prosecutions by removing the opportunity for argument about the validity of a declaration. These protections are essential to a facility of such sensitivity and importance to Australia’s Defence and External Relations to deter mischief makers and those with more sinister intent.

FEDERAL COURT OF AUSTRALIA AMENDMENT (CRIMINAL JURISDICTION) BILL 2008

Introduction

The Federal Court of Australia Amendment (Criminal Jurisdiction) Bill 2008 is introduced at the same time as the Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008.

That other Bill will amend the Trade Practices Act 1974 to introduce new offences for serious cartel conduct. The amendments will also give the Federal Court jurisdiction to deal with the new offences.

The current Bill sets up a procedural framework to allow the Federal Court to exercise this new jurisdiction.

The bill has been the subject of extensive consultation with the Law Council of Australia, the Federal Court, the Australian Competition and Consumer Commission, the Commonwealth Director of Public Prosecution, the Australian Federal Police and the Office of the Privacy Commissioner.

Cartel conduct

Cartels undermine the operation of the market economy and that is why the Rudd Labor Government is committed to criminalising such behaviour. The amendments to the Trade Practices Act will introduce new indictable offences with penalties of 10 years imprisonment for serious cartel conduct.

The Federal Court will be given jurisdiction to deal with the new offences because that Court has extensive experience in dealing with cartel conduct as a result of hearing civil cases under the existing provisions of the Trade Practices Act.

The Federal Court is familiar with the concepts of cartel conduct and the impact it can have on the Australian community. The Court is well placed to deal with the new offences, and to deal with cartel conduct in both the civil and the criminal contexts.

Federal Court

This will be the first time the Federal Court has been given indictable criminal jurisdiction, and the first time the Court will need to run jury trials.

It requires extensive amendments to the Federal Court Act and other legislation to allow the Federal Court to hear jury trials.

The bill includes provisions dealing with the form of indictments, entering pleas, pre-trial proceedings, bail, the empanelling and management of juries, the conduct of trials, sentencing and appeals.

The Federal Court will not be given exclusive jurisdiction for the new cartel offences. The State and Territory Supreme Courts will also have jurisdiction to deal with them. That has been done to ensure there is flexibility if, for some reason, it is not possible for a trial to be run in the Federal Court.
The government has no plans to give the Federal Court indictable criminal jurisdiction in other areas.

**The procedures**

The bill will give the Federal Court the full range of powers it will need to exercise this new and important jurisdiction.

The provisions have been modelled on existing provisions in State and Territory law, but are not a direct copy of any single set of provisions.

The bill sets a single set of procedures that will apply in all trials before the Federal Court irrespective of where the trial is held. The Federal Court will apply the rules of evidence set out in the Commonwealth Evidence Act 1995.

The alternative of picking up State procedures and rules of evidence is not workable. It would mean that the Federal Court could be required to apply different procedures for the same conduct depending on where the trial was being held. As a result, it would require the Federal Court and its judges to become familiar with the procedures and rules of evidence of 8 State and Territory jurisdictions.

Section 80 of the Constitution will require that any trial held before the Federal Court for a Commonwealth offence committed in a State must be held in the State where the offence was committed.

**Pre-trial hearings**

The pre-trial provisions are particularly important to the effective working of the bill. Trials for the serious cartel offences are likely to be long and hard fought. It is important that as much as possible is done at the pre-trial stage to determine what matters are in issue and narrow down the issues which need to be considered by the jury.

There are extensive provisions dealing with pre-trial hearings and pre-trial disclosure. The provisions will impose pre-trial obligations on both the prosecutor and the accused person.

The Court will be able to take control of the proceedings at an early stage and will have power to ensure that the accused knows the case against them and has access to any unused material which is potentially relevant to responding to that case.

An accused person will not be required to disclose their proposed defence, unless they intend to raise an alibi or rely on mental impairment. However, the accused must provide a statement setting out, for each fact, matter and circumstance outlined in the notice of the prosecution case, whether the accused agrees or takes issue with it.

The Court will also have power to require an accused person to disclose copies of any expert report they intend to rely on at trial so that, as far as possible, any dispute between experts can be resolved at the pre-trial stage.

These provisions are modelled on section 6 of the Crimes (Criminal Trials) Act 1999 in Victoria and section 137 of the Criminal Procedure Act 1986 in NSW.

**Commonwealth Director of Public Prosecutions**

Trials for the serious cartel offences will be run by the DPP in accordance with the normal procedure in Commonwealth cases.

Committal proceedings for the new offences will be run in the State and Territory committal courts in the same way as for other Commonwealth offences. The practical effect of the bill is that, if an accused is committed for trial, the choice of venue will rest with the DPP.

The prosecutor has traditionally made the decision on venue where more than one court has jurisdiction to deal with a matter. It has not been suggested that the Commonwealth DPP has misused this power in the past.

This bill will ensure that the Federal Court is properly equipped to deal with the important new jurisdiction that it will be given under Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008.

I commend the bill.

Debate (on motion by Senator Ludwig) adjourned.

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

In Committee
Consideration resumed.

Senator ABETZ (Tasmania) (2.08 pm)—I ask the minister: is it the intention of the government to move any amendments to any of the bills that we are currently considering, or is the government willing to support any amendments from the crossbenchers—the Independents or the Greens—in relation to this package and, if so, when might we get to see a copy of these amendments? We as a coalition are ready, willing and able to discuss those amendments immediately upon them being tabled.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (2.09 pm)—At this point in time I am unable to give a response to your two-part question, Senator Abetz.

Senator ABETZ (Tasmania) (2.09 pm)—Can I suggest to the minister that, in those circumstances, he might like to reconsider that which he said earlier on in the chamber today about the Labor Party not being engaged in a filibuster. Here we are as a coalition, ready, willing and able to assist the consideration of this matter, and the Labor Party are deliberately stretching it out to see if they can cobble together a deal, the details of which they are still unable to tell this chamber about. It really does expose as a complete farce, and indeed mischief, the assertion made by the leader of the government in this place, Senator Evans, when last week he told the Senate that this package of legislation had to be passed by Friday last week or else there would be all sorts of problems.

We have heard from officials that that was wrong, that consideration of the bills throughout this week would not delay the package in any way, shape or form. So one wonders why the Senate was being bullied and hectored by the leader of the government in this place, who was saying the legislation had to be passed, when departmental advice flew in the face of Senator Evans’s assertions. Clearly his assertions were not based on departmental advice, and so I think we have a very serious situation developing where the Senate was given information which was clearly incorrect. Now we have a circumstance where we as a coalition are saying we are ready to proceed and vote on these bills and the Labor Party are unwilling to either adjourn this debate or deal with it in another manner. They are deliberately filibustering this debate so that they can try to stitch something together. I am sure that as soon as I sit down they will get a backbencher to stand up and give a 15-minute talk to try to buy the government more time, and if that happens it will be proof positive of exactly what I was saying.

The CHAIRMAN—Senator Arbib.

Senator Abetz—And there we go: Senator Arbib.

The CHAIRMAN—Order! No, you know it is the way in the chamber that I must call someone from this side of the chamber.

Senator ARBIB (New South Wales) (2.12 pm)—I rise to make a contribution to this very important committee stage of the debate. I do apologise beforehand—I picked up a cough from my daughter, so I may need to
take regular breaks just to clear my throat. Yesterday in the United States anyone who was watching CNN or some of the business channels would have noted that President Obama gave a major interview about the state of the United States economy and the scale of the crisis that he has inherited as president. President Obama put it like this:

And if there’s anyone out there who still doesn’t believe this constitutes a full-blown crisis, I suggest speaking to one of the millions of Americans whose lives have been turned upside down because they don’t know where their next paycheck is coming from.

He went further:

We have inherited an economic crisis as deep and as dire as any since the Great Depression. Economists from across the spectrum have warned that if we don’t act immediately, millions more jobs will be lost …

Senator Joyce—Point of order, Mr Chairman. My point of order goes to relevance—whether this dissertation on President Obama in the United States has anything to do with the legislation that is currently before the committee or any amendments that are currently before the committee.

Senator O’Brien—Mr Chairman, on the point of order. I think, frankly, that is a rather frivolous point of order. The senator is talking about an economic crisis that impacts on not just Australia but the world and the response of another head of state to the crisis. Given that this package is a response to the crisis and Australia’s economic circumstances arising from it, I would suggest that nothing could be more relevant to the committee stage of this debate, which is in its general phase at this stage, than the contribution being made by Senator Arbib.

Senator Ian Macdonald—Mr Chairman, on the point of order, Senator Joyce is correct: this is not relevant. It is, as Senator Abetz said, a filibuster. I have some serious questions to ask in the committee stage and I am being prevented from doing that by someone delivering what is effectively a 15-minute second reading debate speech in the committee stage of the bill. I know the government are not ready and that they do have to make time, but I think it would be appropriate to deal with some of the questions of the minister relating to the package whilst the government try to work out what they are doing next.

The CHAIRMAN—In general terms, we allowed very wide ranging speeches at the second reading stage of the legislation. It is also true to say that we are dealing with this bill and five other bills cognately. We are at a stage of general discussion, so at this point I will rule Senator Arbib in order.

Senator ARBIB—Thank you, Mr Chairman. I also thank senators on the opposite side of the chamber. They actually illustrated the point that I was trying to put forward. To return to the quote from President Obama:

We have inherited an economic crisis as deep and as dire as any since the Great Depression. Economists from across the spectrum have warned that if we don’t act immediately, millions more jobs will disappear … More people will lose their homes and their health care. And our nation will sink into a crisis that, at some point, will be much tougher to reverse.

That was what President Obama said, and I am happy to announce that today the United States Senate approved an $838 billion stimulus package. Three Republicans crossed the floor to vote with the President to try to stimulate the economy.

This is not just happening in the United States. Countries across the globe are taking action to stimulate their economies using monetary policy and fiscal policy to try to protect and support jobs and maintain economic growth. The IMF recently put out a report which I found most helpful in understanding the scale of the economic crisis and
also a way forward for governments. The IMF report notes that the global recession has dramatically intensified: ‘The global economy is in the midst of a deep downturn, with the financial crisis driving an abrupt slump in the real economy. All major advanced economies are in recession.’ The report notes, ‘Merchandise exports have fallen globally by 30 to 40 per cent.’ Commodity prices, so important to our country, have collapsed over the last three months. Metal prices are 50 per cent below their peaks of March last year and global growth is forecast to fall to just 0.5 per cent in 2009. That is how deep this global recession is and how big an issue it is for this chamber. Both the IMF and the OECD have urged governments of all persuasions to do everything they can to stimulate their economies.

On Thursday last week I was lucky enough sit in on the hearing of the Senate Standing Committee on Finance and Public Administration inquiry into the stimulus package and to hear from the Secretary to the Treasury, Dr Ken Henry. Anyone who has ever listened to Ken Henry has had a real economics lesson. I learnt a great deal from it. I would like to put on record a couple of things he said, because they go to the importance of what the government is doing with this package. Dr Henry told senators:

… the global circumstances confronting Australia are simply unprecedented.

… … … …

The forecast growth for our major trading partners is as weak as we have seen quite possibly since the 1930s.

… … … …

… there is a clear case for a very substantial fiscal stimulus and for that to be delivered to the Australian economy before unemployment starts to increase. From our history and also from the experience of other countries, the evidence is that the earlier a macroeconomic policy response is taken, the better the prospects for the macroeconomy going forward.

That is what Dr Henry put forward to senators during the inquiry.

Our position is to take action now. What is the position of senators on the other side of the chamber? The best way to understand their position is to look at the words of their shadow Treasurer, Julie Bishop. The shadow Treasurer has put forward her plan for government policy to deal with the global recession: let’s wait and see. Let’s wait and see how bad it gets before we take action to stimulate the economy. Almost every developed country is now in recession. The Liberals say: let’s wait and see. Six of our top 10 trading partners, including China, the United States, Britain, Singapore and Germany, are all in recession. What is the Liberals’ plan? Let’s wait and see. Yesterday the National Australia Bank released some awful figures showing the depth to which business confidence has fallen in our economy. The Liberals’ response? Let’s wait and see how bad it gets.

The government are not waiting to see how bad it gets; we are taking action now. This global crisis, this global recession, is like a cyclone. It started in the United States, wreaking havoc on the domestic economy, wreaking havoc on financial markets, on financial institutions, on the banks. It then moved to Europe, wreaking havoc on their economy, with most of the EU now in recession. The hope was that it would not spread to the developing world, that they would be able to withstand the drop in the United States and Europe and continue to create growth. Unfortunately, the cyclone was too strong, and now we are seeing growth in the developing world slowing dramatically. Growth in China has slowed dramatically, from 13 per cent down to six per cent. In Korea there has been a huge drop in their economic growth. In Japan they are talking
about a serious recession that it will take them years to recover from. The cyclone has been too strong. It is on its way to our shores. This is not a time to wait and see how bad it gets. This is the time to take action.

Senator Joyce—We're waiting.

Senator ARBIB—I note that Senator Joyce has been doing a fair bit of media recently. He has been playing a great deal of politics with the stimulus package and has been carrying out a scare campaign on deficits.

I will talk about the first stimulus package that the government put in place and the way the Liberals have approached that stimulus package. It goes to how they are approaching economic management at the moment. In the chamber this morning coalition senators, time and time again, talked about the first stimulus package, in December last year, as ‘the cash splash’. That is what the coalition call it. That is what Malcolm Turnbull, the member for Wentworth, calls it. I have raised this previously, but I am happy to raise it again for Senator Joyce. Take the time to look at the Liberal Party website. I am a bit of a boring person, so I was happy to go to the Liberal Party website. The Leader of the Opposition now says that the first stimulus package is a cash splash and it has not worked. What did he say on Tuesday, 14 October, when we introduced the first stimulus package?

Senator Joyce—Shut the door. I can hear the cows coming home!

Senator ARBIB—Senator Joyce, if you quieten down I will let you know. He said:

We welcome the Government's announcement today, especially for Australia’s age pensioners who have been denied justice for too long.

He welcomed it, Senator Joyce. Then he went on to say:

But nonetheless we are not going to argue about the composition of the package or quibble about it. It has our support. It will provide a stimulus to the economy, that's for certain.

That was the Leader of the Opposition. Today you are calling it a cash splash. This was him giving it his full support. Let me just read it again to you.

Senator Abetz—It was out of the surplus, in October.

Senator ARBIB—I know, Senator Abetz, that you want to hear it again. He said:

It has our support. It will provide a stimulus to the economy, that’s for certain.

Senator Abetz—What date?

Senator ARBIB—I am happy to take that interjection. It was Tuesday, 14 October 2008, on the Liberal Party website.

Senator Abetz—That was the first stimulus package, paid for out of the surplus—not going into debt.

Senator ARBIB—That is right, Senator Abetz. I am talking about the first stimulus package. That was the Leader of the Opposition's position. Let us talk about what the first stimulus package has achieved. Quite frankly, it has achieved a great deal. Let us talk about sales in the retail sector. Official figures were released showing a 3.8 per cent increase for the month of November—the biggest percentage rise in retail since the introduction of the GST in August 2000. Let us talk about first home ownership and the housing industry. Housing finance data from the ABS for November showed that the number of first home buyers increased by 17.8 per cent. The Real Estate Institute of Australia said:

Yes, we are starting to see a lot of activity in the first home buyers market and I think we’ll see a lot more of that as we go forward.

Today, Senators, I would like to raise new ABS figures released today which go to the extent of the first stimulus. The ABS figures show a surge in new housing finance for the
month of December. First home buyer grants have absolutely stimulated the housing market. First home buyers are the real winners out of this. The first home buyer share of housing finance hit a six-year high in December as the stimulus kicked in. They are fantastic results. So the cash splash that the Leader of the Opposition and senators on the other side of the chamber talk about is doing its job.

This $42 billion package has a strategy behind it. If senators on the other side of the chamber had been listening to the Treasury officials during the Senate inquiry they would understand it. In the short term, the cash bonus payments are about getting money into the economy straightaway, to bolster aggregate demand, helping confidence in the marketplace. This injection takes place now, then the second part of the strategy comes to the fore—infrastructure. That is when you will start seeing projects taking off. These projects have been put together with this in mind. These are not huge projects that are going to cost billions and billions of dollars and take years to put together. These are projects that can be put out into the system quickly, punched out by tradesmen, by builders, by suppliers. This is the strategy behind it, to get our tradesmen and tradeswomen working, to get our suppliers providing, to get our transport workers using their vehicles to provide for housing. This is what it is about: a stimulus for the economy. This is what we stand for. On the other side the attitude is: ‘Wait and see. Let’s wait and see how bad it gets.’ In the end, that will mean a loss of jobs and a loss of production.

Senator IAN MACDONALD (Queensland) (2.29 pm)—I feel inclined to ask the minister at the table, the Minister for Superannuation and Corporate Law, how many of the promised 75,000 jobs that Mr Rudd guaranteed would eventuate from the first ‘cash splash’ have actually been achieved, but I will not do that because that is contrary to standing orders and it is not relevant to the bills before the chamber. It is quite clear, as Senator Abetz said earlier, that the previous speaker has just spent 15 minutes delaying the Senate because the government are quite incapable of managing this vaunted $42 billion package—the package they have been working on for ages and wanted us to pass, rightly or wrongly, by last Friday. Here we are today and the government are in disarray. They have absolutely no idea of what they are doing and are therefore getting backbencher after backbencher up to speak for 15 minutes on irrelevant matters, as in the last speech, simply to delay the Senate in order to try to hide their abject mismanagement of this bill. When they cannot even manage a bill through the chamber, what chance have we got of them managing $42 billion in an economic package? It really shows that Labor cannot be trusted with money or even with managing the business of this chamber.

I rose to seek a response from the minister on a question relating to the spending package that is before the chamber and I am sure his response will engender some follow-up questions, so I would ask other senators to give me 10 minutes or so to pursue the particular piece of information I am seeking. I mentioned both the issues I want to pursue in my second reading debate speech. Fortuitously, the minister at the table, Senator Sherry, will be well aware of the financial disaster caused by the collapse of Storm Financial, a company that was headquartered in Townsville, where I have my office. The collapse impacted upon investors that I know of on the Sunshine Coast and the Gold Coast and in other parts of Queensland, and I know there were many people in Melbourne who were also caught up in that financial crisis. I want to raise this with Senator Sherry while he is in the chamber because he may be able
to assist those people today in the response he gives to this question.

My question relates broadly to how this package might impact on the big four Australian banks. We do know that the Rudd government—using taxpayers’ money, of course: governments do not have money of their own; they use taxpayers’ money—has guaranteed the deposits of the four big banks in Australia to the extent of $600 billion to $700 billion. Because he is the relevant minister in this area, apart from being the minister in charge of this debate at the present time, I would like the minister at the table to confirm that there is a potential liability of $600 billion to $700 billion in the guarantee given by the Rudd government to the big four banks. That was the preliminary, and I do not want to go into the question of what that guarantee has done to other financial institutions. The second part of my question to the minister is: in this spending package, are there other advantages given to the big four Australian banks? For example, in what we loosely refer to as the Ruddbank proposal, will there be funds somewhere in the $42 billion package to achieve that?

I want to go on to ask the minister if he might use today to issue, if not a warning, a reminder to those big four Australian banks that they have benefited quite substantially by the largesse of the Australian taxpayer through the Australian government—to the extent of a potential support of $600 billion to $700 billion in the guarantee given by the Rudd government to the big four banks? For example, in what we loosely refer to as the Ruddbank proposal, will there be funds somewhere in the $42 billion package to achieve that?

We have heard some of the stories of Storm Financial clients. These are people who have worked, scrimped and saved all their lives to put aside a nest egg so they would not be a burden on the government or the taxpayer but would be self-funded in their retirement. They have got involved with financial advisers—and I will not make any comment upon that until investigations are completed. But these people, very often retired people, were receiving margin loans from banks for hundreds of thousands of dollars when it was quite clear—and any cursory examination by the banks of their situation would have shown this—that they had little prospect of paying back the banks from their incomes unless they were able to get it by other means—that is, the share market continuing to boom ahead.

There are suggestions, which need to be investigated, that the banks acted fraudulently in lending money to people who they knew had no prospect of paying it back—shades of the subprime mortgage arrangements. I want to ask the minister at the table a question, and I would hope that he would instruct his backbenchers, who have been regimented to give their 15-minute delaying speeches, to back off a little bit so that the minister could reply to this. Will the minister, on behalf of the government, say to those banks: ‘Don’t foreclose immediately; don’t sell all the shares that people had mortgaged; but, more importantly, don’t sell people’s...
houses that they have collaterally mortgaged to support their margin loans’?

I think it would be helpful if someone of Senator Sherry’s standing could say to those banks that the government and, indeed, we the parliament of Australia expect the banks to deal sympathetically and understandingly with those margin borrowers so that they do not lose their houses because of capricious immediate action by banks in foreclosing and selling people up without giving them the opportunity to get out of the mess by other means. In many cases it might mean an indulgence of three, six or nine months but, because of the largesse the banks are getting from this package before us and from other packages from the government, it should not be too much to ask.

I am sure all senators have had experience of constituents who are traumatised by the collapse in the financial market, particularly those who have been involved with Storm Financial. Senator Williams and I are looking at some form of inquiry into that, and that will come later. But I think it would be useful if the minister, who is the relevant minister, could use this debate—and it is relevant to this package and other economic packages of the government—to make a statement to the banks and give those ordinary Australians who scrimped and saved to make sure they looked after themselves in their own retirement rather than falling back on the government are given some hope that they will have an opportunity, at least, of some time to rearrange their affairs before they lose their matrimonial home. Minister, I invite you to respond to that in this committee stage of this debate on the financial package.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (2.40 pm)—I do have a number of responses for Senator Macdonald and also for Senator Joyce. I go to the issues relating to Senator Joyce first. Senator Joyce, in a question to the Standing Committee on Finance and Public Administration which was taken on notice, asked for some comparative data about stimulus packages around the world juxtaposed against the stimulus package we are considering here. So, at least to that extent, Senator Joyce recognises the relevance by requesting details of stimulus packages in other parts of the world.

I will not go through all the material that will be provided but I do want to indicate that the size of the stimulus package in Australia has been a matter that has been raised throughout the debate, including this morning. To run through this briefly, the stimulus package in the USA, which apparently has only just been passed, is in total US$168 billion or 1.2 per cent of GDP; Spain, $24 billion, or 1.7 per cent of GDP; with a second stimulus of $14.8 billion, which is one per cent of GDP; and Japan, $19.9 billion, or 0.3 per cent, followed by three other stimulus packages of $66.4 billion, or 1.2 per cent of GDP, $44.3 billion, or 0.8 per cent of GDP, and $16.6 billion, or 0.3 per cent of GDP.

I move to Korea—and this is South Korea, not North Korea. I noticed there was some discussion in the committee about North Korea. Frankly, the North Korean economy is a flat earth. It is hard to stimulate an economy like the North Korean economy, but the South Korean stimulus is $8.7 billion, or 1.3 per cent of GDP, then a second stimulus of $10.4 billion, or 1.6 per cent of GDP; a third stimulus of $10.4 billion, or 1.6 per cent of GDP, and then a fourth stimulus of $37.3 billion, or 5.5 per cent of GDP. In Taiwan it is US$12.6 billion, or 3.3 per cent of GDP, and then there are three more: $2.4 billion, or 0.6 per cent of GDP, $2.5 billion, or 0.7 per cent of GDP, and then $9.6 billion, or 2.5 per cent of GDP. Now the fiscal stimulus in Australia is $7 billion, or one per cent of GDP, $10.3 billion, or 1.4 per cent of GDP, $3.2
billion, or 0.4 per cent of GDP, then $28 billion, or 3.8 per cent of GDP. I do have significant further material. In Canada, it is $32.7 billion, or 2.6 per cent.

Senator Joyce—Mr Chairman, I rise on a point of order. First of all, this goes to a question on notice I asked Treasury, not the minister. The minister is reading an answer to a question that was not directed to him, yet the inference at the start was that it was directed to him. So the point of order goes to relevance. The next point is that the minister is now verging on breaching standing order 196 on tedious repetition for the purpose of filibustering. We are going through every economy in the world. If he wants to add to something, he might want to tell us how much the American stock market fell the day after the American stimulus package. I think it was about 380 points. He might want to tell us the result of that, which goes to the efficacy of the whole purpose of this charade.

The CHAIRMAN—On the point of order, Senator Joyce, any minister can answer any question on behalf of the government so Senator Sherry is in order.

Senator SHERRY—I am just trying to be helpful to Senator Joyce. I understand he has not got the detailed response. I am not going to go through all of the countries. There is a lot of detail there; you asked for the detail. It has been an issue of debate. It has been an issue of discussion this morning, and I am giving you some of that detail now. Senator Joyce has claimed that I should look at the US stock market and at what has happened as a result of their stimulus package going through the US Congress. Senator Joyce, with respect, I think you are confusing the stimulus package with the bailout package. I do look at Bloomberg and CNN; I do look at the commentary. I have done that not just today but over the last year, in this financial and economic crisis. The observations made with respect to the current market response reflect the disappointment and the lack of detail in the bailout package, not the stimulus package. The bailout package, for people who are not aware, is hundreds of billions of US dollars being passed over and paid to a range of American financial institutions. That should not be confused with the stimulus package. I want to make the point that I am trying to provide detailed information, as asked for at the Senate committee hearing—and which was not available at the time—in response to Senator Joyce’s question.

Distinguishing between a bailout package and a stimulus package leads me to a couple of issues on the guarantee that Senator Macdonald raised. I firstly would make the point, Senator Macdonald, that it is not a guarantee simply for the four big banks. It is a guarantee for all APRA regulated deposit-taking institutions. That includes all banks, credit unions and building societies.

Senator Joyce—Mr Chairman, I rise on a point of order. I hope we are not misleading the Senate. I know that is not the intention of the minister. Luckily, we are on line now and I have just had a look. A headline says ‘Wall Street tumbles as U.S. stimulus package passes’. The article is by Sheldon Alberts, the Washington correspondent for a number of papers.

The CHAIRMAN—Order! Senator Joyce, that is a debating point. You will have a chance later in the committee stage to raise that if you wish. That is a debating point, not a point of order.

Senator SHERRY—This morning I was watching the commentary on the reaction of the markets. As I said, the commentary that I observed related to the response of the markets to the claimed lack of detail in the bailout package.
Senator Joyce—It’s a stimulus package, not a bailout package!

Senator SHERRY—I have made my point. I am not going to waste time by adding to that. You have your view. I have expressed my view and observations and what they are based on. I will come back to the position of ADIs. As I was saying, Senator Macdonald raised the issue of the guarantee to the four big banks. It is a guarantee to all ADIs, Australian deposit-taking institutions, regulated by the Australian Prudential Regulation Authority, APRA—that is, all banks, all credit unions and all building societies. I am pleased to say that that was supported by the Liberal-National Party opposition. It was not an issue of enormous contention. It was recognised last year that there had to be a guarantee provided to ADIs.

Senator Ian Macdonald—That’s not the question.

Senator SHERRY—You made a claim about four big banks. It is not accurate. You have your view; you have stated your position. I am stating what I believe is a broader and more accurate reflection of what happened in respect of the guarantee.

Senator Ian Macdonald—Look, my point’s the same, though, Nick.

Senator SHERRY—I will get to Storm issues in a moment, because I do have concerns. I will get to the details in a second, because you have asked about the issue. We have given a guarantee. Unlike the US and the UK and a number of other European countries, we have not given a bailout to any Australian financial institution, thank goodness. We have not had to pass over hundreds of billions of dollars from our budget to any financial institution in Australia, thank goodness. Earlier a senator—and I forget who—accused the government of reflecting a socialist approach in its bailout package. If you want to look at socialism in action, go to the United States, where a conservative government—the Bush administration—ended up nationalising, forcefully merging and taking over a number of banks. That occurred in the UK, in Iceland and in some other countries. It was an understandable response to the collapsing world financial system. I think it is important to put these things on the record.

The other point I would make about the guarantee is that it has its origins in Australia, as distinct from the legislative action the government took coming from the HIH royal commission when it was observed that Australia, unlike most other countries, did not have a guarantee for its ADIs. These are important points to make.

To come to the issue which Senator Macdonald raised about the approach of the banks in respect of clients of Storm Financial, I would express it this way. The words are not the same as those made by the Treasurer, Mr Swan, in the Four Corners interview, but the sentiment and the message I would convey are. He rightly observed that, yes, Australian ADIs, including our four big banks, have received benefits as a result of the guarantee and they should deal—these are not his precise words but I share the sentiment and would make the same commentary—with great consideration, sympathy and concern with anyone, including the victims of the Storm Financial crisis, who faces foreclosure of their home, for example, an asset in many cases that was used to under-line margin arrangements, and they should not be precipitous in respect of any foreclosure against persons in those circumstances. I would indicate the same message.

As to Storm Financial, the financial planning institution that provided the margin loans, Senator Macdonald quite appropriately has indicated that he did not want to go to specific questions about the ASIC investigation. I would point out that there is a for-
mal investigation in respect of issues involving Storm Financial, the entity. I cannot provide information about what is an operational matter—it is an investigation. What I can say is that there is one area of ASIC action which is on the public record because it took place in the courts last week. ASIC secured a court order barring the owners of Storm Financial, the Cassimatis, from dealing with a $2 million dividend payment which they effectively gave themselves in late 2008. I understand that, as a consequence of the ASIC action, that $2 million dividend payment is effectively frozen. I can inform Senator Macdonald that I have spoken to ASIC about issues relating to Storm Financial. I cannot go to operational matters but they have indicated to me that they will be providing as much detail as they can, without going to operational investigations, at the Senate estimates. I have indicated that this is a matter of considerable and obvious interest to many thousands of investors. Also, it is an important matter of public interest. ASIC will be giving an update at the estimates without going to the details of operational matters because that may go to legal actions at some future date and we would not want to jeopardise that. There is a whole range of issues in relation to the Storm investment strategy.

Senator MILNE (Tasmania) (2.57 pm)—My questions are related to those asked by Senator Macdonald—they are in a similar vein. In relation to the minister saying that the government is not bailing out any bank at this point, I want to be certain that the $6.6 billion to be spent on social and defence housing is not going to be used to bail out developers and banks, as a stimulus to construction, in fact was used to soak up a developing overhang of already built housing inventory on developers’ books. With the tripling of the first home owners grant for new housing, again it was about a stimulus to construction but, because there was no requirement that the construction occur after the date of the policy announcement, in fact it too was about bailing out developers and banks, effectively by stimulating the economy to the extent that young first home buyers would buy some of the stock which developers had built, much of it not energy efficient, as part of that development boom. The issue is then how much of the $6.6 billion is going to buy up stock which the developers have not been able to sell.

So what I am asking is: is there any requirement that the $6.6 billion for new housing be spent post the announcement so that you cannot go back and bail out the developers with stock on their hands and therefore, ultimately, the banks? The government has said in its own materials that this will allow the purchase of some already existing housing and some greenfield sites. I would like from the minister some answer as to whether there are any associated regulations around the $6.6 billion to make sure that this is not effectively a bailout of developers and the banks but the stimulus—

The CHAIRMAN—Order! There is far too much audible noise in the chamber.

Senator MILNE—that it is meant to be—to the building industry, builders’ labourers and so on. I want to know whether or not the stimulus package is, effectively, a bailout under another name.

The other matter I would like an answer from the minister on is in relation to energy efficiency. It pertains to a report by RMIT, *International comparison of building energy performance standards*, published in 2005.
That says that the current five-star standard in Australia for energy efficiency is actually 1.8 to 2.5 stars below comparable average international levels of performance. In fact, it says that the Building Code of Australia’s five-star energy efficiency provision is not even close to the lowest energy efficiency standards currently mandated in the United States for similar climatic conditions. In that circumstance, I would like the minister to confirm that the five-star rating that Australia currently has is almost two stars below the lowest performance in the energy efficiency standards for new buildings in the United States and that that has been the case for some time.

Progress reported.

MINISTERIAL STATEMENTS

Victorian Bushfires

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (3.03 pm)—by leave—I wanted to take the opportunity to report to the Senate on some developments in the Victorian bushfire tragedy and some of the Commonwealth responses to that. People are obviously following these events on the news and it is a developing situation, but I thought it important that we update the Senate on where we are at in terms of the Commonwealth response. The Prime Minister is doing a similar thing in the House of Representatives.

Can I firstly thank the Senate for giving me leave and for its cooperation with the government over the last few days in allowing us to respond to the bushfires and apply all government resources to those. The agreement to cancel question time was a good decision and I appreciate the cooperation we have had in relation to that. Certainly the country’s attention is properly focused on the bushfires, as is the attention of all members of parliament. I think we are all a bit uneasy about parliament proceeding in the middle of all this. It is obviously important that we show appropriate leadership, but I think all our minds are more focused on those developments than perhaps the day-to-day activities of the parliament.

Each day, as we have seen in the news on the fires, the tragedy has got worse. It is fair to say that there may still be more bad news to come. There are certainly people still at risk and many people yet to be located. The response of the nation has been nothing short of fantastic. As we have seen on the news, ordinary Australians have been doing whatever they can to support the victims, be it by donating clothes, driving up with supplies or donating. It has been an amazing response. There has also been a very strong response by corporate and sporting organisations in terms of cash or other generous donations and activity. We should all applaud the response of the organisations and the community more generally.

Might I also say that the leadership of parliamentarians from all sides has done them great credit. This is not something that will probably be said outside this chamber but I think it is appropriate to acknowledge that all the local members I have seen, across the parties, have been supporting and representing their constituents in a magnificent way. They have shown great energy and empathy and they have been a great assistance and support to their communities. I would like to acknowledge that. I think Senator Ronaldson made the very good point yesterday that those people know their communities, they know their needs, capacities and strengths. I think the response and leadership of the local members, from all sides of parliament, has shown that they are really in touch with their constituencies. As I say, they probably do not get many plaudits from others on such occasions but I do support and acknowledge them.
The crisis has moved to a new stage. There are now two immediate challenges confronting us. First of all, we must continue to fight the fires in the face of a situation that has unfortunately deteriorated in the last 24 hours—and great risks remain. We also must continue the enormous and difficult work of the recovery. In addition to the twin immediate challenges, the Commonwealth and Victorian governments are moving ahead with the long-term reconstruction efforts.

The fire threat in north-eastern Victoria has increased overnight because of strong southerly winds. This morning the Country Fire Authority issued urgent alerts for the communities of Acheron, Cathedral Lane, Rubicon, Thornton-Taggerty Road and Bulls Lane, with an increase in fire activity in the Murrindindi-Yea area. The fires burning to the west side of the Black Range have picked up in the southerly winds and early this morning they were estimated to cover an area of approximately 100,000 hectares.

The most recent report on the Bunyip Ridge fire indicates some improvement in the outlook for the communities of Gembrook. Nevertheless, alert levels for these communities remain high. The fire is burning in an area of approximately 25,000 hectares in the Bunyip State Park and the Bunyip State Forest and it has the potential to directly impact communities in that region.

Fire activity also remains high in the Maroondah-Yarra Complex, in particular south-east of Toolangi and east and north of Healesville. The Kinglake Complex continues to burn and is currently estimated to be in excess of 116,000 hectares. Fire crews and Army engineers are working to construct control lines around the fire perimeter on the northern and western flanks. New South Wales fire crews are also assisting in this area and remaining firefighters are actively patrolling and blacking out the perimeter of the fire line. Fires are continuing to burn in many other areas of the state, including Churchill, Jeeralang and Walhalla.

The latest information from the front lines confirms the catastrophic scale of these fires. There are currently 181 confirmed deaths from the fires, with 570 injuries and 78 admissions to hospital. Many are still unaccounted for. This morning the Victoria Premier, Mr Brumby, indicated that in Marysville, for instance, up to 100 of the town’s 500-strong population may have been killed. I know there is a great deal of concern amongst some people to get back into the communities, but people need to understand that there are still real risks and also that there are areas where they have not completed the search for bodies and where they expect to perhaps have more bad news. It is clearly not appropriate to be letting people back in. I know some people are finding it hard to understand that decision, but it has been made for very good operational reasons.

Up to 20 patients have been admitted to the major burns unit at the Alfred Hospital. At the last count, 1,033 houses were reported to have been lost and at least 5,000 people remain homeless, and of course many of them have been left with nothing at all. It is estimated that about 450,000 hectares have been burnt out.

The Commonwealth has obviously got all of its agencies deployed to do what they can. The four main agencies working with the Victorian CGRC on the immediate challenges are the AFP, the ADF, Centrelink and FaHCSIA. Other departments, like my own, the Department of Immigration and Citizenship, are providing staff and other resources as required to support them.

Over 460 ADF personnel have now been deployed to assist with the range of firefighting efforts. The Minister for Defence,
Mr Fitzgibbon, has been on the ground there for the last day or two. We thank all our professional and reservist personnel for their exceptional efforts. ADF teams are providing direct assistance to those who have lost everything in the fires. They are fighting fires and they are providing relief for firefighters and emergency service personnel, who are doing a fantastic job.

In relation to the immediate search and recovery effort, I can inform the Senate that the ADF has deployed a search task group of approximately 160 ADF Reserve soldiers headquartered at Kilmore. This group comprises four search teams to assist emergency management agencies to search through rough terrain on foot near Traralgon, St Andrews, Flowerdale and Yarra Glen. I am advised that the search teams deployed to Flowerdale have completed their work and are now preparing to deploy to work in the Kinglake area.

On behalf of us all I would like to thank all of the permanent and volunteer firefighters and emergency personnel and the interstate firefighters who have been coming in. Yesterday I issued a regulation change to provide for overseas firefighters to enter the country to assist. We have had offers from around the world. The Indonesian government has offered—and I think it is in process—to provide some of their victim identification teams, who I think we helped train after the Bali tragedy. They are now going to be providing support to us. And New Zealand firefighters are I think coming in on Friday. We have had offers from around the world of such expertise.

Centrelink is providing direct assistance on the ground in fire affected areas through the Australian Government Disaster Recovery Payment of $1,000 per adult and $400 per child for those affected by the fires. There was a story in the Australian newspaper today from Gary Hughes, who is a victim of the fire, having lost his house and had a very traumatic experience. He described what clearly was most inappropriate treatment when he was asked to produce identification to receive his relief payment after he had registered with the Red Cross at the relief centre at Diamond Creek. All of his personal documents had obviously been destroyed in the house fire. What happened to Mr Hughes should not have happened. We apologise for the distress it caused him. The government accepts the criticism.

We are doing everything that we can to remove the obstacles for people in claiming emergency relief. The Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, has been on the ground there all week listening to people’s concerns, comforting people and trying to make sure that all the Commonwealth agencies are responding to their needs. She has done a fantastic job. I pass on our best wishes to her.

It is also the case that the Minister for Human Services, Senator Joe Ludwig, went down yesterday and spent the day there working with those agencies to try and make sure that we get that right, that all resources are available and that staff understand the requirements of the government. They are all working very hard. There will be problems and hiccups, but there is a tremendous effort going on from all those public servants there.

The government has made it clear that if anyone needs cash immediately or needs money to be put into their account that can be done on the spot. We know that many people have lost everything and have no resources to turn to. The Australian government will do whatever it can to assist them with emergency relief. I know that Senator Ludwig is very much focused on making sure that that happens.
I can also advise that the Commonwealth, alongside the Victorian government, is undertaking work through the Victorian Bushfire Reconstruction and Recovery Authority. The authority will be coordinating the bushfire recovery activity across Victoria. The Commonwealth and state governments will share equally the cost of rebuilding communities affected by the fires. The authority will coordinate activities of all local, state and Commonwealth agencies and community organisations. Senators would be aware that the authority will be headed by the outgoing Chief Commissioner of Victoria Police, Ms Christine Nixon.

The authority will determine what immediate action is required, such as the provision of temporary government offices so residents can continue to access vital assistance from Centrelink and the Department of Human Services, temporary doctors clinics and pharmacies to ensure that prescriptions are written and are able to be fulfilled, and all of the other essential services. It is a mammoth task, but all government resources will be deployed towards the end. Our priority is to make these towns become functioning centres of community life again. We will need to make sure that power and water are reconnected and running properly so that residents can return to their homes—those lucky ones that remain that were miraculously spared. Where homes have been destroyed, the authority can ensure a smooth path for individuals and insurance companies, helping to quickly process claims. Then we will have to move on to the permanent rebuilding.

Cutting through the bureaucracy and getting the job done is the direct charter of the authority. They will have the capacity to erect buildings and use personnel to get those towns back on their feet. The Prime Minister has committed the Australian government to rebuild these communities brick by brick and school by school. The Victorian Bushfire Reconstruction and Recovery Authority will coordinate that rebuilding and ensure that we cut through any of the bureaucratic barriers to make sure that the reconstruction begins as soon as possible. All that must be done in a way that takes into account what we have learnt from this terrible tragedy and plans for a safer future.

In terms of insurance, the Assistant Treasurer, Chris Bowen, met this morning with senior insurance industry representatives from the Insurance Council of Australia in order to get a clear assessment of how we can expedite claims and provide assistance to victims of the fires as soon as possible. The Assistant Treasurer advises that he made it clear to the Insurance Council that the government expects insurers to act in a compassionate manner and process claims as quickly as possible.

People who have suffered a loss of property due to the bushfires should contact their insurer directly. They do not need to worry if their insurance documents have been lost or destroyed. The insurer will have the details. Some insurers have put in place special arrangements to assist claims. Insurers are allowing the lodging of home and motor insurance claims over the phone and providing up to $5,000 in emergency funds where required for food and clothing. All insurers are putting claims staff and assessors on the ground as soon as possible as access to affected areas is granted. The Insurance Council and its members have activated an insurance task force to coordinate assistance to those who have concerns or questions about their claims. The Master Builders Association has also joined the task force and will be assisting with a supply of tradespeople and supplies for the rebuilding efforts. The government will keep the lines of communication open to insurers throughout this period.
In the days and weeks ahead, the Commonwealth and Victorian governments will be working systematically through the long-term challenges raised by these tragic bushfires. The enormity of the impact of this event is only just beginning to be understood by the Australian community. I know that government ministers are seeing implications throughout their work. Even in my portfolio of Immigration and Citizenship, we are seeing lots of impacts. We are trying to help people, be it through replacing citizenship certificates or providing other assistance, such as providing visas for overseas firefighters. All of government is focused on responding. Other departments are much more involved than many, particularly that of Senator Ludwig, who is Minister for Human Services. It is putting strain on our activity, but it is very much our focus and it highlights what a broad impact this has had on people. There are thousands of issues that now confront people, as well as the sheer tragedy of their immediate experience for those who have survived.

Obviously, the focus is on rebuilding homes and communities, the redevelopment of the infrastructure and re-engaging and rebuilding local communities, including agriculture and the local small businesses. It is a huge task. We very much acknowledge the way that Australians from all walks of life have come together to offer their assistance and do practical things to support those who have lost everything, particularly those who have suffered the loss of loved ones. The response has been fantastic.

I would like to acknowledge the support of all parliamentarians and the way that they have conducted themselves. We will attempt to keep the parliament informed of developments, but the rebuilding and reconstruction effort will obviously go on for years. Those who experienced the Canberra bushfires realise the huge ramifications of an event like this. And this is on a scale that we have never ever seen before. Assisting those people to rebuild their lives will present enormous challenges.

I do not want to talk about this as if it is somehow in retrospect—the danger remains. There are still real threats to property and life, and that is obviously a huge priority and challenge for us at the moment. It is also true that we continue to discover the full extent of the loss of life and damage done already, and it will be a while before we know the full extent of that. All the indications are that there is still more very distressing news to come as we work through the remains of this most horrific fire.

I thank the chamber for its indulgence and indicate that the government will attempt to keep the Senate, the parliament and the community informed as things develop further.

Senator MINCHIN (South Australia—Leader of the Opposition in the Senate) (3.22 pm)—by leave—I briefly want to thank Senator Evans very much on behalf of the opposition for keeping the Senate informed on the latest developments of the bushfire tragedy in Victoria. I indicate the opposition’s ongoing full support for all that the government is doing at the Commonwealth level to assist with the recovery. I indicate our strong support for what we know from our years in government is an extremely professional and confident Australian Public Service. As Senator Evans has indicated, they are involved in assistance on very many levels across the breadth of the Public Service. I thank him for his explanation of the circumstances surrounding Centrelink and for dealing with that. I think we all have to understand that these are unprecedented circumstances and that there will be difficulties and mistakes made. We acknowledge that,
and we thank the government for its explanation and rectification of that issue.

We join with the government in congratulating all Australians on what has been a typical but nevertheless fantastic response to this tragedy. At the expense of sounding parochial, I was watching the Australia-New Zealand one-day international at Adelaide Oval yesterday and saw the response of my fellow South Australians. I think some $6 million was raised at that cricket match alone as a contribution towards the victims of these fires. Obviously, we join in expressing our heartfelt thanks to all those volunteers still out there fighting these ongoing fires in Victoria. Finally, we extend our prayers and best wishes to the families of the victims and also of course to the many who are suffering very badly in hospital from horrendous injuries; there is nothing worse than burns injuries. Our heartfelt wishes and prayers go out to them.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.25 pm)—by leave—I will be very brief. I endorse the remarks of both Senator Evans and Senator Minchin. Obviously, the thoughts and prayers of this chamber are with those people who are trying in any way they can to alleviate the pain and suffering that people are going through in Victoria. I acknowledge the work of people in the hospitals, especially the burns units. I am sure that this parliament will make every effort to bring about a process that, although it cannot take people back to the time before the fires, can show them that we have every sympathy and will make every effort to provide some sort of relief for the future.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.26 pm)—by leave—This nation is rising magnificently to respond to its citizens who have been through such terror, destruction, loss and now grief. No doubt, with that will come some anger and great distress for quite some time to come. I thank the government for the statement and for keeping us informed. I agree with the Leader of the Government in the Senate that all parliamentarians have been doing what they can, both directly and through support of the government, to get help to the victims of this still unfolding and horrible tragedy. For many of us, that includes staying at a distance while the government goes in on the ground and does its work. I say, as a human being as much as a parliamentarian—and I am sure you will agree with me—that our spirit wants to take us to the people in this tragedy, fold them in our arms, share with them what we have, lift their spirits and tell them, as the Prime Minister did yesterday, ‘We’ll be with you, brick by brick, as you build your lives again.’ We hope that that comes swiftly.

Senator FIELDING (Victoria—Leader of the Family First Party) (3.27 pm)—by leave—I thank Senator Evans for updating us on the situation. I will provide a quick update on some people I have mentioned over the past couple of days—the SES volunteers from Marysville that were assisting down there on Saturday. They had less than 20 minutes to evacuate Marysville from when they realised they were under immediate danger to when Marysville went up in a fireball. A man has shared with us today the enormous guilt he feels in relation to the deaths of so many of his friends. So far, he and his wife know, from seeing their pictures in the Herald Sun, of nine of their friends from Marysville who perished in the fires. They both escaped separately to Alexandra and spent hours apart not knowing if each other had survived. They escaped in just their SES overalls. On Saturday night, a nurse from the hospital gave them the name of someone who offered them a room to sleep in. They are currently staying in someone’s
bungalow in Coldstream. Unfortunately, they were among the people who went to Centrelink and got a letter saying that they did not ID properly. I appreciate the comments that you have made today and the efforts to rectify that particular situation. As SES volunteers, they felt they should have been able to do more. They were in positions of authority and responsibility. They felt they had failed and were having difficulty living with their guilt and grief. I stand with them today—as, I am sure, the parliament does—to say that they are heroes and that we are grieving with them as well.

Senator XENOPHON (South Australia) (3.29 pm)—by leave—I endorse and support the remarks of my colleagues in relation to this. I thank the government for keeping the Australian people informed on this tragedy. This really is a case where the worst of times have brought out the best in people. We have seen the generosity, the resilience and the courage of people at the bushfires and we have seen the generosity of Australians, as a nation, standing together as one with those affected by this tragedy.

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

In Committee
Consideration resumed.

Senator ABETZ (Tasmania) (3.31 pm)—I would like to ask a quick question of the government. Given that, some 1½ hours after I asked about the amendments, we still do not have any amendments—I assume the government still does not have a timetable for the amendments—will the government be requiring the parliament to sit longer so that there can be due consideration of their amendments both in this chamber and in the other place?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (3.31 pm)—The Senate, in this case, has set down a program for debate in the committee stage. If there is any requirement for change, then the normal conversations will occur between the whips and leaders, but I am not aware of any changes at this time.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.32 pm)—Obviously everybody listening to the broadcast of this would realise that the Labor Party are filibustering their way through this. It is a little bit ridiculous. I want to go through a couple of things Senator Arbib brought up. I want to note on the record that, the day after the US stimulus package, the American share market fell over. It was nothing to do with the bailout package. The bailout package still has not been finalised—not according to the Washington Post, which I have just looked at. So Senator Sherry’s proposition that the US stock market fell over because of the bailout package completely contradicts what the US newspapers are saying.

I have some serious questions. I do not know whether they are ever going to be answered or whether we are just going to have renditions of this debate. It seems peculiar in the extreme that, with the Labor Party wanting to bring forward the Emissions Trading Scheme and the Carbon Pollution Reduction Scheme, they are not part of the forward estimates in this package. For the life of me, I do not know why no reference is given to
this—except that it is beyond the time frame of consideration—when the consideration of the ETS is immediate.

In the repayment schedule on page 5 of the updated economic and fiscal outlook booklet of February 2009, you have outlined how you are going to return the budget to surplus. You have put forward to the Australian people how you are going to repay $200 million in approximately two bullet points:

- allowing the level of tax receipts to recover naturally as the economy improves, while maintaining the Government’s commitment to keep taxation as a share of GDP below the 2007-08 level on average; and
- holding real growth in spending to 2 per cent a year until the budget returns to surplus.

That is $100 million per bullet point. The question everybody listening to this wants to know is: how on earth do we repay this money?

Why are we paying for things which, in the past, the states were supposed to pay for, such as schools and boom gates? These things are very meritorious in their own right, but what is the Labor Party’s belief in the role of the states these days? Do they not believe the states have a role? If they do not, that is fine, but let us have it on the record that they no longer think the states are relevant and capable of actually managing their own affairs. Why have the states fallen so far behind in managing to keep up their own infrastructure that now, ipso facto, your stimulus package has to bail them out? In the housing section of your package, the states will sell the land to the developers, so the states will make money; and then the developers will sell it to the Commonwealth, so the developers will make money. But, when the Commonwealth buys the land from the developers, why on earth are we going to pay back to the states the stamp duty and all the other charges when, at the end of the day, we will be delivering back to the states the houses and the land? Why are we going to pay for the houses twice and give them back to the states?

In your dissertation we have this crazy position whereby you are going to net off the debt. You have come up with this magical number of $2.66 billion, which apparently takes into account $7.5 billion in interest expenses. But you have netted it off against HECS, a commercial property vehicle and the Future Fund. The moneys in the Future Fund are supposed to stay within the fund. They are not supposed to be part of netting off anything. They are part of the growth in the Future Fund to cover other liabilities, such as unpaid Commonwealth superannuation.

The HECS debt is a non-determinant income flow. It is about $17 billion, and last year, even on principal and interest, it only returned six per cent. That was the return on both principal and interest, not just interest. Where are your exact numbers on what you really believe each one of those items to be—HECS, the commercial property vehicle and the Future Fund? Why have you changed the determination of where the Future Fund interest is going? What is your logic in netting off Future Fund interest when you know it is supposed to go back towards the corpus of the fund? How do you possibly believe that you can make a determination of what you are going to get back from the HECS fund when we are heading into the middle of a recession? How can you possibly understand what the return on the Future Fund is going to be when we are going into a recession and the share market is falling over?

What is the logic behind netting this off? How strong is your belief that this is going to give you the capacity to net off the debt at $2.66 billion? Why is your rounding error $40 million on the figures that you have given today? The questions go on and on and
on. These are the questions that we want answered, rather than this eternal waffle the Australian people are hearing as you try to work out how you are going to stitch up a deal at the eleventh hour. This whole plan is hardly the *Mona Lisa*, but it sounds like you are doing your very best to put a moustache on it.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (3.38 pm)—I thought I had been responding to questions as they were raised, Senator Joyce. Sure, some senators—on both sides, I would have to say—have engaged in what, at the suggestion of Senator Abetz, was a general debate and questioning. Senator MacDonald raised in the context of the world financial and economic crisis some perfectly reasonable, consistent and logical questions about Storm Financial and the impact that is having on people.

I can provide you with additional information in respect to the net debt position. I detailed the approach before lunch, and the approach of the government and Treasury is no different from that which occurred when you were in government. The net debt position will be $70 billion in financial year 2011-12. That is made up of debt and assets, and the income stream on the assets is $4.8 billion. The income stream on the debt is $7.5 billion. The net interest payment is $2.6 billion, rounded. There is no error, I might say, Senator Joyce. When you are dealing with billions, rounding to the nearest billion or 10th of a billion is appropriate. There is no error of $40 million—it is a rounding. It is the way that figures in the billions or tens of billions of dollars are rounded.

As I was saying, the income stream on the debt is $7.5 billion. The income stream on assets is $4.8 billion. They are netted out. Net debt and net interest payments were used by the former Treasurer. If you borrow $100 billion and invest $100 billion, that does yield a return. It is entirely appropriate to look at the net cost.

You raised an issue about the role of the states. I think we could have a very lengthy debate about the role of the states in our Federation—what is their responsibility and what is not their responsibility. I would make two points: firstly, it is certainly apparent to me that over the last 100-plus years of Federation—and it was certainly apparent to me over the almost 12 years when the Liberal-National Party was in government—there has been a general trend towards the Commonwealth assuming more and more responsibilities in this country, right across the board. That occurred under your former government in areas like health, education and industrial relations. A general trend has been there for 100 years.

This partly relates to the matters that are relevant to Storm Financial. The Commonwealth and I have had the responsibility of overseeing the COAG agreement to transfer the regulation and supervision of the remaining responsibilities of the states in financial services and the distribution of financial products to the Commonwealth. We reached agreement last year, and one of those areas includes margin lending. There are some others. So the general trend has been there and, as I say, we could have a lengthy debate about why that has occurred.

In the case of the financial services—I have given consumer credit as an example—it seems to me that in the modern world economy, and in the financial economy in particular, there is a compelling argument for nation-states and national governments to regulate and supervise their financial systems. Increasingly, I think it will become international. This is no criticism of any particular state of any political colour—Liberal, National Party or Labor. It is simply very
difficult for states and territories in a modern financial services economy to regulate and supervise the financial sector. I just use that as an example, but it could be a very lengthy debate.

Senator Milne raised the issue of a bailout and whether any of the $6.2 billion would be used for that purpose. The answer is no. It will only go to new housing. There is $400 million for maintenance and $6 billion for new construction.

On the issue of the five-star rating for residential buildings and the question of it being two stars below the US standard, the government is working with the states and territories through our COAG process to examine and resolve improvements that can be made to the energy efficiency of commercial and residential buildings, firstly, including ensuring greater consistency in the application of building standards across all states and, secondly, an increase in energy efficiency requirements for new residential buildings to six stars. That is partly another issue that relates to the question that Senator Joyce asked about the roles and responsibilities of the states, and as questions are posed, as I have indicated, I will endeavour to inform the Senate.

Senator FIELDING (Victoria—Leader of the Family First Party) (3.45 pm)—I thought I would contribute to this debate after listening to a fair bit of it this morning. I suppose I would like to put it into terms that we may get behind in some way. The $42 billion stimulus plan is like a battle plan for Australia to fight the war on recession. The question that has to be answered but may be difficult to answer is: will this battle plan win the war on recession? And guess what? Nobody knows for sure. In fact, you could ask 10 economists and you would still get no consensus. Will the $42 billion plan win the war? That is what we are debating, but I do know one thing for sure: this $42 billion plan will do little to help the casualties of this recession. Even if this $42 billion is spent there will still be 300,000 Australians joining the ranks of the unemployed. If most Australians knew that, they would be concerned.

I have trouble sleeping at night—300,000 Australians added to the unemployment queue even if we spend the $42 billion. It is a battle all right, against recession, but we have forgotten the innocent casualties that will come from the war on recession through no fault of their own. These are innocent Australians—our fellow Australians—in your street and my street. We will all know someone who loses their job. I have trouble sleeping at night knowing that, even after spending $42 billion, there are still going to be 300,000 Australians added to the unemployment queue.

I went to the government, before the tragic fires, and said, ‘If we’re going to spend $42 billion, don’t you think we should dedicate some of that money to those innocent victims of the war?’ I did not come to this chamber to become like others—I say that a bit tongue in cheek. I do not want to be known as the best negotiator around the table, but, sure as all heck, I will go in to bat for my fellow Australians who are going to fall off the cliff. I have asked for some money to be set aside to assist the 300,000 Australians who are going to be added to the unemployment queue. Frankly, the response I am getting is like chess pieces being moved on a chessboard. It is insulting to everybody. You can tap-dance around it all you like, but I will go in to bat for my fellow Australians who are going to fall off the cliff. I have asked for some money to be set aside to assist the 300,000 Australians who are going to be added to the unemployment queue. Frankly, the response I am getting is like chess pieces being moved on a chessboard. It is insulting to everybody. You can tap-dance around it all you like, but I will go in to bat for them every day. We have to do more. We have to make this package work harder. With this package you are displaying the same sheer arrogance that brought the previous government down. You walk into this place and you say, ‘We’re not
changing any of it.’ It is disgusting. Are you the only people with good ideas?

A bit of economics here—I will go back to day one. What was happening on day one? The Reserve Bank was going to make a significant announcement, but you guys wanted to hog the spotlight. The economy runs on confidence. You did not even allow the Reserve Bank’s downward adjustment of the interest rate to affect confidence in the marketplace. You wanted to hog it. You should have let that run its course and allowed confidence to build into the economy and then maybe come out with a plan. You did not allow the positive cycle of monetary policy to work itself out. No, no, no. You had to hog it. You had to beat your chests and say, ‘Hey, we’re in control of interest rates.’ Frankly, you should have let that run.

Then there was the second thing you did. You came into this place and basically told us, ‘Pass it, no questions asked.’ Don’t kid yourselves. Do not go to the Australian public and say you agreed to an inquiry. You were deadset against it. You have misread the Australian people. We know we need a stimulus package, but are you sure as all heck that your arrogance is 100 per cent right? That is what you said on day one: ‘Don’t worry about it; just pass it.’

Step 3: these negotiations have been lip-service. You are tap-dancing around here this afternoon. You have put it off to some convenient time when there are no news stories. Stop playing politics. This concerns Australian people, their families and their lives. I am deathly serious about this. This is just a joke. I may not be the best negotiator. I am just a kid from Reservoir, but, sure as all heck, I know when someone is stuffing around. Get serious. Do not treat the Australian public like you treat the Senate.

We need a stimulus package. It is just a shame that the government think that they need no other ideas except their own. It is very sad. It is a very sad day. We put forward a program and you will laugh at it. You will background journos and say, ‘This Get Communities Working plan is just a joke.’ Good on you. Beat your chest out there. Talk and background journos. Do what you like—I don’t care. I want to do something for the 300,000 unemployed Australians—not my numbers but Treasury numbers, and other economists have put the numbers even higher. You walk in here and just say, ‘Don’t worry about it.’

Let us look at the cash payments. Many Australians desperately need the $950. Some of them will get multiple payments. They desperately need them. Many Australians do not need the cash but, sure as heck, will take it. There are many Australians who desperately need the cash who actually will not get it. Then you have $75 million of these cash payments going to people overseas. But, no, no, no—you have it 100 per cent right. Wrong! I do not understand it. I do not know. What do you come to Canberra for? What do you sit in this chamber for? Yes, sure as heck, debate—no problem. But, jeepers, we have to look out for our fellow Australians. I am not in anyone’s pocket. I am not in yours and I am not in theirs, and that makes it an awfully lonely place. But I will go in to bat for my fellow Australians every day.

Sure as all heck, you could give it a go, giving even more of that $42 billion to help find more local jobs for people. Why would you not give it a go? What are you worried about? Are you worried about the opposition having a go at you because you changed your package? That is politics. What are you worried about? You got some of it wrong? Okay. We all get it wrong sometimes. We are all fallible. We are all human beings and we get it wrong. But, blimey, Teddy, you started...
this out in an awfully adversarial way. Did you not learn anything from watching the other side when they were in government? Work Choices—did you not learn from that? Do not think it was just about IR. Think about how they went about it. Think about how they went about playing politics in this place rather than genuinely looking out for all Australians.

I can only ask you to relook at this package. There are a few hours left before I have to vote on this. I do not know how I am going to vote. I did not sleep terribly well last night. I will certainly look at this from the point of view of those forgotten Australians, those Australians who do not have a voice. I will look at it from the point of view of those families—fathers, mothers and kids. We are going into debt to spend $42 billion and we are still going to have 300,000 Australians on the unemployment queue. You may play politics. You may say, ‘We’re saving up to 90,000 jobs.’ That is good, but I believe you can make this package work harder. But do you know how much time we have? Zero time. We have zero time to look at this package and make it really work so that we can not only try to win the battle against recession but also look after those innocent victims who are going to be casualties of it. Think about someone in your street. Think about what it is going to do to them when they lose their job and they have very little prospect of finding another one. Think about it. Think about it more than on one day, just when you wake up. Think about it for more than the 48 hours that you gave the Senate. I do and, I tell you, I am having trouble sleeping.

The way you have gone about this is really appalling. It really is. I am so surprised that you can be so out of touch. You got us into this mess. We have a $42 billion package in front of us and you are not going to change it. You may tinker with it now after someone has shamed you into it. You may tinker at the edges, but you have no genuine desire to change it. We are in the situation now that if we do not pass it we will lose the confidence of Australia, because you have given hope to people. You could have allowed interest rates to start to work and given us more time to work on this. But you have presented this package in such a way that anyone who does not vote for it is ruining the confidence of Australia. You may very well be right, but you have set that up. It is such a shame that you have done it in such an adversarial way rather than in genuine partnership.

I have been out of work, once. Maybe you have too—I don’t know. It is not a pretty place to be when you cannot find a job. It is awful. We have to make this package work harder. I have a few short hours to work out what I am going to do with this. I am torn between two places and a hard rock. I am sure I am going to get criticised on it. Plenty of people can criticise, but I am genuinely trying to work through this issue. From day one, even before the fires, I was talking about the unemployed, the forgotten Australians who do not have a voice. It is going to hit them like a brick on the head and they are not going to be able to get another job.

Get Communities Working is all about grassroots measures, getting the unemployed working again—maybe in some soft areas that you cannot count in GDP. It is about social capital, the glue in the community. Go and talk to your local councils. Honestly go and talk to them and really find out about it. Building social capacity in a community is not something you can count on a calculator. You cannot count it in GDP. That does not mean it is not worth while. There are going to be valuable Australians who are looking for a job, and not a job where someone could say, ‘You’re just digging holes and filling
them.’ Crikey! You are going to use that argument.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.00 pm)—I have responses to a couple of earlier questions from Senator Joyce and from Senator Macdonald. Before I give those, I would like to say in response to the contribution from Senator Fielding: I do not sit in your place but I do appreciate your passion and your concerns and the difficulty in making decisions of such magnitude. I do understand that. I have not sat in your place but I do have at least some appreciation of the difficulties these issues present.

If I could just relate a personal experience, I did not live through the Great Depression; my father lived through it. He was an orphan. He lived on cabbages, vegemite sandwiches and rabbits when they were cheap, and he would go out and catch them wild. I did get a lot of stories from my father about those times in the 1920s and 1930s and at times when I was a young kid I thought it was a bit of a lecture about these types of issues. I am not suggesting the world faces a Great Depression, but I do understand, at least related to me by my father, the experiences he went through in the Great Depression. They were very, very tough circumstances, tougher than many others.

I think it is fair for me to observe, Senator Joyce, that when we were elected to government I was very proud to be a new minister. Looking back over the last year, I certainly did not believe a year ago that we would have faced the financial systems firestorm that has erupted all around the world and the sheer number and complexity of issues that I have had to deal with in my particular responsibilities—issues I never expected I would have to consider—because of the way the world financial system in many other countries has collapsed, with the obvious impact on Australia. Now we have to deal with the economic consequences of it, and they are serious. Again as a personal reflection, I would not have thought debates around things like short selling, for example, would have become some sort of mainstream general economic debate. Who would have believed it? There is a whole range of issues. Senator Macdonald has referred to the Storm matters. Whilst I strongly believe that financial regulation should be a national issue, I did not anticipate a year ago, in moving to improve the regulatory oversight of margin lending, just how important that issue would become in the context of Storm and other difficulties we have seen for thousands of Australians.

We all bear the weight on our shoulders now, given what is occurring around the world and its impact. I think we all bear it quite sincerely, and I certainly appreciate the sincerity with which you bring your perspective. The government has put together a very significant package, given the weight of global recession and the emerging events just in the last three months—the pace at which countries have been going into much greater recessions than had been believed possible; the continuing reassessment by, for example, the International Monetary Fund; the impact on a country like China and then the impact on Australia. I sincerely believe, Senator Joyce, that the government has put together a strong package that will assist. But you were right to remind us—

Senator Joyce—Madam Temporary Chairman, on a point of order: I think Senator Sherry is referring to Senator Fielding.

Senator SHERRY—I am sorry, yes, Senator Fielding. But I do not question your sincerity and passion, Senator Joyce. We will disagree on some of the issues and solutions. The government strongly believe this is an appropriate package for the times. Australia
would face a more severe economic downturn and greater unemployment if this package were not passed. I have great respect for Treasury, not just because we are now in government; I had great respect for Treasury in those long years in opposition, often dealing with them in Senate estimates. As best they are able to do—I believe they have done their very, very best—Treasury have given us an estimate that as a consequence of this package there will be about half a per cent higher growth in 2008-09 and around three-quarters to one per cent higher growth in 2009-10. I do understand, Senator Joyce, that there will be an increase in unemployment—

The TEMPORARY CHAIRMAN (Senator Moore)—Minister, you mean Senator Fielding.

Senator SHERRY—Senator Fielding, I am sorry—I have in my mind some further answers to Senator Joyce. I do accept, Senator Fielding, that increasing unemployment carries with it a significant economic and social impact on those individuals. I accept your bona fides, I accept your passion, I accept your interest. As you are aware, and the Treasurer, Mr Swan, has said this, there are discussions occurring. I am not party to those discussions. I am here to deal with the bills that we have in front of us and answer questions, and I have been doing that as they have been raised.

I do strongly support the package and I believe it is the appropriate way forward at this point in time. I do not believe we can wait and see just how bad things get and there is no absolute guarantee that it will work. As the Prime Minister has indicated, there is no absolute guarantee but it is incumbent upon us as a government to act. And I understand the heavy responsibilities on your shoulder to make a call about the package and whatever other discussions occur in respect to your meeting, or meetings, with the Treasurer. That is a heavy responsibility just as it is, obviously, for the Greens and Senator Xenophon.

To go to a couple of matters, I have some further information for Senator Joyce. The netting of debt: we do net off HECS, commercial property and the Future Fund. Netting off the Future Fund interest is logical. That has been the approach. I understand it is consistent with accounting standards. It is explained in MYEFO that net debt is the sum of the selected financial liabilities less the sum of the selected financial assets. It has been that way consistently for many years, certainly under the former government. Regarding the claim of no reference to the forward estimates, to the CPRS, it is in the estimates for revenue and expenses but it is not in the economic forecast as it is beyond the forecast horizon of 2009-10.

You and I, Senator Joyce, have been having an exchange about the impact of the stimulus package and the bailout package, as I interjected inappropriately; we are both right, Senator Joyce. My observations and the observations of financial commentators in respect to the—

Senator Abetz—You are never wrong.

Senator SHERRY—We are both right. I am explaining why we are both right. I observed, based on the financial commentary after the release of the bailout package, that the markets in the United States dropped between three and four per cent. It is fact. Senator Joyce updated his observations and made his comments about the stimulus package that was passed, as I understand it, a few hours ago. And you are correct; the markets reacted adversely to that. I was not aware of that, Senator Joyce. I made my comments in good faith based on what I had seen on the wires and CNN and BBC World Service this morning as a consequence of the claimed lack of details on the bailout package.
Senator Macdonald may have some more points on Storm Financial but he did indicate he believed there was a $600 billion to $700 billion liability in respect to the bank guarantee. That is not correct. MYEFO stated that the expected liability is remote and unquantifiable. As I said, I have drawn a clear distinction between a guarantee and a bailout package, which has been occurring in many other economies around the world. Will a part of the $42 billion go to the big four banks? No, it will not. This is not a bailout package where we are passing, as has occurred in many other countries, tens or hundreds of millions of dollars over to financial institutions. That is not the purpose of this package; that is not what is occurring. It is a major package to provide a stimulus to the Australian economy to minimise the impact of the spreading financial and economic crisis. We have gone out of our way to direct this package to low- and middle-income earners and a range of short- to medium-term projects that we believe are appropriate to underpin the Australian economy given the serious and very rapidly developing world financial and economic circumstances.

Senator IAN MACDONALD (Queensland) (4.11 pm)—Senator Sherry, I thank you for your previous answer to my question. I join with you and appreciate the fact that you have indicated to the four major banks and other lending institutions that, having received some support from the Australian government—that is, from the taxpayers through the Australian government—the banks should be very careful about the way they deal with margin loans they have lent. Sure it is their money but there is a way of dealing with them and the early information and evidence from the Storm Financial victims indicates that some banks are not playing the game. I appreciate your urging—dare I call it warning—the banks to be very careful because if the lot of Australians are impacted upon by capricious bank action then they will be named and followed in this chamber.

There are other questions I would like to ask but I know a lot of my colleagues want to ask questions so I will briefly move to the other question I did want to raise with you. As I mentioned in my speech in the second reading debate yesterday, nothing that is happening in the north can, in any way, compare with the horrendous situation in Victoria at the moment. Having said that, there is the community up in the Gulf of Carpentaria—not a big community—that has been without road access for more than four weeks now, almost since the beginning of the year. There is another community between Cairns and Normanton and Karumba—a place called Georgetown—that, again, is cut off by the washing away of the Ainslie river bridge. My question that I do seek a response from you is: where in the spending package will there be money that will assist more than just natural disaster management responses, which are normal—money that might go to not just fix roads that are cut but actually improve them so they will not be cut in the future?

The communities that I ask this question on behalf of are only small. They are a long way from the capital city media outlets, so they do not get as much profile as perhaps they would if they were close to a capital city and had been without a means of getting provisions for over four weeks. The closure of the Einasleigh River bridge, east of Georgetown, will cut off that community from supplies, will prevent transportation of people and stop the very wealthy produce of the north-west and the Gulf country—that is, the cattle—from getting out to the coast where it is needed. I do not want to prolong my question. I want to give you, Minister, an opportunity to answer. Will money be made available?
I mentioned again very briefly in my speech on the second reading the case of the people at Karumba. They have been cut off for more than four weeks. They have an airstrip that is not sealed. The Queensland government has agreed to pay one-third of the cost of sealing the airstrip, but just sealing the airstrip is not what is required. They need more. They need the airstrip extended, and this requires some action by the Queensland government to provide the additional land that is needed. Why do they need this extension of the airstrip? There is no way of getting in and out of Karumba at the moment, although if you can get through to Normanton, you can get on the Norman River on a barge and barge down the very winding river—which is in flood at the moment. If the airstrip were operational, you would be able to fly in relief goods—that is, food and emergency medical provisions—and use it in good times, and they will return. As I said somewhere else, the rain we get in the north does cause problems but it is what makes the north so great. It is what gives us the rainforests, the fishing and all the other attributes that make Northern Australia a very desirable place not only in which to live but also for tourists to visit. If this airstrip were extended then planes like Dash 8s could actually land on it. At the moment they cannot. In times when the community is cut off, it could be the only means of support.

Minister, I ask where in the package—and it relates to bill No. 2, I think—is money being made available for those essential forms of infrastructure? I could spend hours suggesting other forms of infrastructure that would be as useful, as important and as economically productive. Batts in ceilings do not qualify in my view as productive expenditure. I want to concentrate in my question on those communities west of Cairns, right out to the border, that simply do not have the normal facility of road access because of the rains and because of poorly designed infrastructure that will require substantial sums of money to fix.

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (4.18 pm)—I have a number of responses in respect of some earlier questions Senator Joyce posed. Thank you, Senator MacDonald; I think drawing attention to the impact of the floods is important. I cannot give a specific commitment in respect of the individual communities you have highlighted. I can indicate that the package contains two elements on page 22, in Repairing Regional Roads and the Regional and Local Community Infrastructure Program—Strategic Projects. I understand that they are to be delivered through local governments. It would be possible for the type of infrastructure issue you have highlighted to be accessed through those two areas. I will also pass on to the minister, Mr Albanese, the specific matters you have raised.

Senator Joyce raised this issue. He asked why, when the Commonwealth buys land, we are refunding stamp duty to the states. The Commonwealth is providing funding to the states to invest further in social housing. The Commonwealth is providing funding to the states to invest further in social housing. The states will purchase houses and units under normal commercial conditions or, where the private sector or the not-for-profit community sector is contracted by state governments, the states and the developers will negotiate these arrangements. Stamp duty may be payable on purchases and construction of these homes. The Commonwealth will not own any housing and is not refunding stamp duty. The Commonwealth and the states have agreed that the states are responsible for identifying social housing projects that are already in their development pipelines and can be brought forward and completed through stage 1 before 30 June 2010. The states will also be responsible for undertaking the process to determine suitable so-
cial housing projects through stage 2 for the 2009-10 financial year and onwards.

Senator Joyce also raised a question about the schedule for returning the budget to surplus. In the UEFO it is estimated that the underlying cash balance will be in deficit in 2008-09 and in 2009-10. It is projected to remain in deficit across the forward years from 2010-11 and 2011-12. In saying that I point out that, if you look at the fiscal balance set out from MYEFO to UEFO from 2008-09 through to 2011-12, the fiscal balance is projected at 1.9 per cent of GDP in 2008-09, at 2.8 in 2009-10—which is in fact the maximum—and then it commences a decline in 2010-11 to 2.5 and in 2011-12 to 1.8. As I have indicated, as the economy recovers and grows above trend, the government will take action to return the budget to surplus. When the budget returns to surplus, the government has said it will draw upon surpluses to pay down debt as rapidly as economic conditions permit. The speed at which the budget can be returned to surplus will depend on the severity of the current downturn and the speed of recovery. It is important to note that the fiscal stimulus package has been developed to ensure that it does not lock in increases in baseline government spending. This recognises that the stimulus needs to fall away over time so that it no longer operates when it is not needed.

Senator Joyce, you asked for some components of interest receipts and payments. Again, I do not want to take up too much time with reams of statistics but I will give you some figures. Future Fund breakdown of interest receipts: Future Fund interest 2008-09 is calculated to be $2.3 billion and then $1.9 billion over two remaining fiscal years dropping to $1.8 billion in 2011-12. Interest on cash and deposits: $2 billion in 2008-09, rising slightly to $2.2 billion in 2009-10 and around $2 billion in 2010-11 and 2011-12. There are details of other interest receipts and then a breakdown of interest payments on government borrowings that are projected out to 2011-12. As I have indicated, there is no change in budget of Future Fund earnings. The underlying cash balance is reported, excluding Future Fund earnings, but the Future Fund is included in the Australian government sector general balance sheet.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.24 pm)—The $2.3 billion, $1.9 billion, $1.9 billion and going up to $1.8 billion in 2011-12 would seem to suggest from our own figures that you believe the trajectory of returns for the Future Fund is down. That would seem to contradict in some way your expectation of where you see the economy returning to a position where you can start repaying your debt. So that is an issue. Can you also specify exactly what you believe the amount you are going to get from HECS repayments is in interest? I will look to the Hansard to get specific figures because I want to go through them. I am still unclear about what you mean, if the state government is putting on stamp duties and other charges, why the Commonwealth should be paying them. In essence, at the end of the day we are giving them a house and land. I do not think many of the people listening would like the idea that we have to pay you to give you a house and land, and that is what we are doing with the states.

The concept of how you are going to repay this debt is amorphous, and that is the big thing on most Australians’ minds, if anecdotally my emails are a true indication of it. I want to know in your own words something that any banker or accountant could tell you: what do you believe is too much government debt, a level that Australia could not handle? It is extremely important that you give us a number. If you squib the question, it would seem to indicate that you have every intention that the $200 billion is not going to
be the end of the show, that we are going to be stitched up with even more credit card debt than this. What do you think should be the top level of debt? Any other business, any banker or accountant would be able to give you an indication. You might have a grey area but they could definitely say, ‘This level of debt is too high.’ I want to see whether there is the capacity for the government to give an answer to that question.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.27 am)—There has been no change in the long-term projected rate of return for the Future Fund. It is somewhat like the issue relating to superannuation fund long-term rates of return. In the case of superannuation, Treasury have projected and forecast five per cent over the long term, which is extremely accurate, despite movements up and down from year to year. The Future Fund has not changed its long-term projection on its rate of return. There will be years when it is below and years when it is above.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.28 pm)—If that is the case, this would suggest that, quite obviously, if we have to find $7.5 billion when we net it off it does not mean we have to find an amount less than $7.5 billion; it means that when you net it off, because these moneys are allocated to other provisions and therefore, in fact, cannot be used as a set-off for the $7.5 million, we actually have to find the $7.5 billion to pay the debt. You cannot net it off because the money cannot go from the Future Fund to pay off the bonds; the money from the Future Fund has to go back to the Future Fund. It cannot be set off against the debt. Tell me if that statement is right or wrong or do you believe that the Future Fund money can actually be delivered to set off the debt—that is, sent off to people to pay for the interest on the bonds they buy from the Australian government?

The next issue is that it seems to be apparent, if this is trending down, that even on your net figures your interest payments would have to be trending up. Our debt is going to become more extensive as we fully draw down on the facility. Even by your own figures, you have gone from $2.3 billion down to $1.8 billion. So there is half a billion dollars extra that somebody is going to have to find and pay. I want an answer on that. I really do want to know if the government can give the Australian people a number as to what it believes is excessive debt held by the government.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.30 pm)—There are two points. If we look at the Future Fund interest, I think we have to bear in mind—and I have not gone to the Future Fund and sought a response; I will attempt to do this; it may be the case; I do not want to mislead—that the asset base and the investments of the Future Fund are changing over time. It started off all in cash and then was placed into the markets. That was fortuitous for the Future Fund for the obvious reason that they are predominantly in cash at a time of market downturn, so they are receiving. Their performance is obviously better than if the funds had all been placed in the markets and equities in the last year, given what has happened to the markets. As I understand it, that mix will change over time. It converts from predominantly cash and diversifies into equities because, over the longer term, equities—it is argued, and I think reasonably so—give a higher return than if it were all in cash. It is a diversified portfolio. That may be the explanation. I will check with the Future Fund.

In terms of the netting, we have to agree to disagree. You have a view. I have indicated twice now why the netting occurs and the reason for it and that it occurred under the previous government. It is the way in
which the netting is carried out in terms of interest receipts and interest payments.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.31 pm)—We may have a different view but the proposition is completely correct that, if you do not send off a cheque for $7.5 billion to those who hold the bonds, you will not be sending them off enough money. If you send off a cheque for $2.66 billion, you will have a riot on your hands because you will have completely underpaid them.

The reality is—and I think you spelt it out clearly—your income stream from interest is going to become a dividend stream. You quite obviously cannot net off the dividend stream and say, ‘We’re actually collecting money in dividends so we’re going to net that off against our interest expense,’ because they are two unrelated items. That might be how it is stated but it is stated wrongly, because Australia will have to find a cheque for $7.5 billion to send off to pay for the bonds. I believe that is an optimistic view and, I would suggest, undershooting the mark. I do not want to get into a discussion about the Future Fund and the movement of dividend streams and what prospective returns on dividend streams will be like if this recession pans out the way it is, but I am still very interested to know what you believe, as a guide, is excessive debt to be held by the Australian federal government.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.33 pm)—I believe that I have already covered the domestic economy. I have also referred at reasonable length to the Australian situation vis-a-vis some other countries. I believe that we have covered the issue. The Updated Economic and Fiscal Outlook document well outlines the impact of the world financial economic crisis in terms of not just the reasons for the package of $42 billion but also the impact on the revenue side and what has occurred so significantly and rapidly over the last couple of months as this international financial and economic crisis has unfolded.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.35 pm)—If you have a commercial premise of a loan, people look for between an eight- and a 15-year run-down of that facility. Do you, as representing the view of the government, have any belief about what is a diligent time over which this should be repaid? Is there any view? If there is a view, can you please tell us over what time frame it should be?

I want to go back to the question of debt. Dr Henry said that he believed a trillion dollars was excessive debt and that Australia could not go to that extent. Do you hold the same view? My third question is: after we have a debt of $200 billion and we then go into the infrastructure package, which seems to be in the vicinity of another $70 billion or so, are we going to be issuing more bonds for that? We will be amortising the interest so we will be up to about $300 billion. We are a third of the way to a trillion dollars, and that is why it is extremely important that the Australian people understand exactly where you are taking our nation and the absolute seriousness of where we are off to with this. What is your path and progression to start removing us from that position? Do you have any assets in mind that you want to sell? Do you have in mind any major restructuring of the Public Service whereby you can make cuts? Is it a belief of having a P&I out of the operating revenue or a taxation proposition of the Australian people? Do you intend to keep the same tax treatment regime that we currently have, or do you envisage a change to it so as to fit your debt requirements? These are the questions that this bush accountant wants to know about.
Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.37 pm)—I understand, and I know that this issue was canvassed by you at the finance and admin committee. I have just been looking at the debate that occurred there. I would agree with Dr Henry’s response on this point. I note that when this matter was raised he indicated that the way most economists think about the deficit question is to think about public debt dynamics. We have had since the mid-1980s in this country a concentration on the level of public sector debt—I would suggest as in no other country on earth. And, as you know, Australia today has negative net debt. He drew your attention and that of other committee members to chart 4.2 on page 46 of the document, which looked at the net debt position of select countries. I added to that in detail earlier in response to a question. Dr Henry observed that the net debt was minus 1.5 per cent of gross domestic product in 2008. You can see in the document by how much that is projected to grow over the three-year period from 2008 to 2010. It is then, corrected, minus 1.3.

So as much material as Treasury have currently available on this issue, and their analysis—and as I said earlier I have great respect for the analysis of Treasury as I have spent many years in opposition questioning them on these issues—mean that they have provided the very best that they could in the Updated Economic and Fiscal Outlook and I believe that the response of Dr Henry on this point was correct.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.39 pm)—With the greatest respect, Minister, I do not think you have answered some of the crucial points of my question, so I will repeat them. We are going to have a $200 billion facility that you are going to have to finance. The expected cost of funds, as you believe at this point in time, is going to be around four per cent, but the more you go into the bond market the more you are going to force up the cost of funds for all Australians because of extensive borrowing. For every per cent you force it up, everybody with a $1 million facility pays an extra $10,000 a year and everybody with a $500,000 house loan pays an extra $5,000 a year. That is the reality that comes home to the kitchen table for everybody.

But here is the question. You are soon going to have a $200 billion facility. When you, on top of that, issue more bonds for an infrastructure package, which we envisage will be around $70 billion, are you therefore going to have a $270 billion facility? And if your cost of funds is at four per cent does that mean that there is going to be another amortisation on top of that—unless you envisage repaying the interest straight off the top. If you are going to amortise it out we are quickly going to get ourselves into a position of a bit better than $10 billion per year that is going to sit on top of that debt. So you are going to have $270 billion plus a multiple in excess of $10 billion—$280 billion. Within a year or two we will be up to $300 billion in debt. Dr Henry says that we cannot afford to get to $1 trillion, so we will be a third of the way there and we will have done it in a couple of years.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.42 pm)—I think your questions—and debate—are in large part a debate about what occurs beyond 2011-12. I must say that I did attempt to discuss these issues sometimes with Treasury when I was in opposition. But, in relation to the data we have, the projections and estimates, and the speculation about what may or may not occur beyond 2011-12, I am not in a position to engage in a discussion about that today for the government. We have used an outlook over a period
that you used in government and we have based analysis and the package on that period through to 2011-12. I do not believe I can add any more or speculate about circumstances that may arise beyond that period.

Senator WILLIAMS (New South Wales) (4.43 pm)—Before asking my question I would just like to add that I have had quite a lot of discussions with those involved with Storm Financial, including literally hours with Emmanuel Cassimatis—and I do not wish to even go down the road of Storm. Tomorrow I will be lodging a notice of motion and will leave it to the appropriate inquiries to come out with the details of that, and, as Minister Sherry said, there are already some investigations underway so I prefer not to comment on them.

Last Thursday I spoke in the Senate about batts in the ceiling. There are many people in Australia, especially in New South Wales and Queensland, who live in timber homes. My better half, Nancy, is one who has a small timber two-bedroom home in Bingara near the Tamworth/Inverell area, where it gets extremely hot. Forty degrees is nothing new during summer there. A couple of years ago, she put batts in the ceiling and none in the walls—there is no insulation in the walls. Because of the sun on the walls during the day, the heat comes through the walls and the house gets extremely hot. She has a dual-read thermometer that reads the inside and outside temperatures—it has a little lead going out the window. Of a morning it tells the temperature inside and outside the house.

She will wake up tomorrow morning and I would guess that the temperature will probably be around 24 degrees inside the house and 19 degrees outside the house. What happens is that without insulation in the walls the house is worse. I can assure you that by putting the batts in the ceiling the house is hotter in summer during the day and during the night. Frankly, the place needs air-conditioning the way it is now. To put insulation into the walls, you would have to remove the weatherboards. These are aged houses, and there are thousands of them throughout New South Wales and Queensland. The weatherboards are Cyprus pine. If they were removed, they would simply split and fall to bits. To insulate that house properly, you would have to remove the weatherboards, put the insulation in and then put new weatherboards on and paint them. It would cost thousands of dollars.

Is the minister aware of this? With some 2.7 million homes projected to get ceiling insulation batts, what are you going to do about these wooden homes, especially in northern New South Wales and Queensland? If you put batts in those ceilings, I can tell you that during summer the houses will be worse; they will be hotter inside day and night than if they had no ceiling insulation at all. What is the government’s plan on this? Are you simply going to allow people to spend the $1,600 bonus to put the batts in the ceiling and leave the walls as is? If you are, it is up to you to inform the public of the ramifications: it would be money wasted. Nancy’s home is worse as a result of the batts in the ceiling, which have been there a couple of years. If I had a bit of time, I would certainly remove them.

Are you going to make the people who own those older weatherboard style homes—and there are literally thousands of them in those areas that I mentioned—aware that, if they do not put insulation in the walls, they will be worse off? I can take you to the thermometer and show you the reading tomorrow morning. I am not telling porkies; I am telling the honest truth. This is the situation: the house is worse because of those batts in the ceiling.
Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.47 pm)—Senator, I am not sure whether you are aware that earlier we had a discussion or exchange with Senator Milne about the insulation issue. She raised a number of questions about the comprehensiveness of the approach and the need for energy audits. She made the fair and reasonable point that ceiling batts are not the only solution and that there are other issues, such as minimising draughts, shades on windows and double glazing. We have had a debate about curtains. You have raised a very legitimate issue about wall insulation.

As I indicated, in this package the government is doing something that is very substantial with the ceiling batt issue. We cannot do everything; we cannot cover off every area of insulation of a home. We think, and we are advised, that ceiling batts is the major area where improvement can be made. It does not mean that other improvements cannot be made in other areas. The package attempts to address the main but not the only issue relating to insulation.

Senator COONAN (New South Wales) (4.49 pm)—We have been at this now since about 9.30 am and we do not seem to have moved on much from very general examination of these very important bills. I have a couple of very specific questions. I could make a 20-minute speech, but I will not. I think it is important that we try to get answers as specific as possible from the minister and his officials. What I want to know, seeing that we have touched again on the insulation issue, is this: will the insulation measure result in a reduction in Australia’s CO2 emissions beyond the unilateral five per cent reduction below 2000 levels by 2020? My second question relating to the insulation measure is: does the energy efficiency measure provide an effective subsidy to high emitters by reducing their permit price? Could the minister give me a specific response, please.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.50 pm)—We are endeavouring to obtain the answers to those two specific questions at the present time, Senator Coonan.

Senator HUMPHRIES (Australian Capital Territory) (4.50 pm)—Before I contribute to the debate, I seek leave to make a personal explanation under standing order 190.

The TEMPORARY CHAIRMAN (Senator Moore)—I am sorry, Senator Humphries, but I have been advised that that is not applicable during the committee process. It would have to be done when we return to standard business.

Senator HUMPHRIES—Okay. I will ask a question of the minister and come back to that later. I took part yesterday in the deliberations of the Senate Standing Committee on Community Affairs on the Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009, which looked at the social housing program of the stimulus package. I must say that I was appalled to see how much reliance was being placed by the Australian government on the good offices and effectiveness of the state and territory public housing authorities as the vehicle for delivering some $6 billion—in fact, more than $6 billion—of funding for social housing across Australia, given the quite deplorable record of these agencies in delivering on existing housing programs, particularly under the Commonwealth-State Housing Agreement.

Senators will not be ignorant of the fact, I am sure, that in previous years some $1 billion was invested in social housing by the Commonwealth under the Commonwealth-State Housing Agreement, and the net outcome of that investment appears to have been that the total quantity of social housing in Australia fell. There were fewer social
housing dwellings available through state and territory public housing authorities at the end of the relevant period after the $1 billion investment by the Commonwealth than there were at the beginning. With a record like that, it would be a very fair question to ask whether one ought to then increase that investment and hope you get a better outcome.

I ask the minister whether in all conscience he can tell the chamber that he has confidence in state and territory housing authorities to deliver the sorts of outcomes that the Commonwealth expects in social housing in this country given the clearly very poor record that these agencies have to make improvements in the quantity and quality of social housing across Australia. I also ask him to consider this question. This is an opportunity, with such an enormous investment available to the Commonwealth, to drive systemic and cultural change in state and territory housing sectors—to improve, for example, the level of accountability, the thoroughness of processes used to deliver outcomes and the way in which the public housing authorities involve the community housing organisations across Australia. If one looks at the agreement which has been reached between the Commonwealth and the states entitled National partnership agreement on the Nation Building and Jobs Plan—social housing, which is annexed to the report of the Standing Committee on Community Affairs tabled yesterday, one sees a document which demands very little of the states to improve outcomes in this area. Paragraph C18, which is entitled ‘Key requirements for proposals to be funded under element 1—new construction’, sets out the sorts of criteria which have been placed on state and territory housing authorities, and the rigour of these criteria appear to be wanting. It contains phrases such as:

Proposals … will be assessed against the following key requirements:

(a) increase the supply of social housing dwellings within a jurisdiction …

What does that mean—the quantity, the quality, the total number of dwellings? If a state receives funding of half-a-billion dollars and it manages to increase the number of dwellings by a hundred, does that meet the tests that the Commonwealth is outlining? It appears to me that it does. Another criterion is:

(c) increase the allocation of housing to people with highest needs on public housing waiting lists …

How many such people? Over what period of time? What are the highest needs on public housing lists? To what extent should the allocation be increased? It is not explained. These are appallingly loose tests being imposed on the states to deliver an extremely expensive program of $6 billion. Another criterion is:

(f) constructed dwellings are environmentally sustainable …

To what standard and at what level? There are many tests for environmentally sustainable dwellings in this country. Which one does the government propose to use? It is not clear. If this is meant to be driving reform in state housing authorities courtesy of the enormous investment the Commonwealth is making, it is an abysmal failure. I ask the minister why he has felt it necessary, in the haste with which this package has been brought forward, to throw on the table $6 billion, all of it being shovelled out of the door into the coffers of state housing authorities, when such poor accountability mechanisms are in place to make sure that the Commonwealth taxpayer gets from this investment good value for money and to make sure that that systemic reform and cultural change in these organisations are driven and good outcomes at that level are obtained for those in the Australian community who rely on social housing.
Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (4.56 pm)—I do not believe that the picture of the various state housing authorities, as they are described, from state to state or from state to territory is quite as bleak as Senator Humphries has outlined. I have some local knowledge in Tasmania. I do not think it is as bleak as he has described. However, the agreements under the former government and going back many, many years have been overly focused on outputs rather than on a range of specific criteria for change and reform. If I look at ‘Key requirements for proposals to be funded under element 1—new construction’, I see there is a shift away from outputs to a range of quality criteria. In C18, it says:

Proposals for funding under Element 1 of the initiative will be assessed against the following key requirements:

(a) increase the supply of social housing dwellings within a jurisdiction;
(b) having regard to agreed reforms listed ... in line with the report to COAG on reforms by December 2009;
(c) increase the allocation of housing to people with highest needs on public housing waiting lists;
(d) facilitate or support the transition of persons who are homeless or at risk of homelessness to secure long term accommodation;
(e) adhere to universal design principles that facilitate better access for persons with disability and older persons;
(f) constructed dwellings are environmentally sustainable; and
(g) promote activity in the short term using a variety of procurement arrangements, including spot purchases of house and land packages, purchases ‘off the plan’.

Those are the key requirements. As the Prime Minister has said in no uncertain terms and has made very clear not just in this area but in all areas for implementation of the package where there are state involvements, there will be a rigorous assessment of the key requirements. This is a significant change from the past where there has been a focus on outputs in this area.

So, firstly, I do not accept that the picture is perhaps quite as bleak as you paint it right around the country. Secondly, we do recognise that there is a need for reform and improvement that shifts the focus from outputs in this package or a consequence of this package in element 1, new construction. We do accept that there needs to be a significant change in focus. We intend to ensure that there is very vigorous assessment against the key requirements. As I have said, the Prime Minister has made it very clear—both publicly in announcing the package and in respect of the meeting that took place with the state premiers and territory leaders—that this will be carried out. To their credit, I understand they have accepted the need for these new requirements, the new focus and the very rigorous assessment that will occur.

Senator Humphries, you may not have been present when Senator Milne raised some of these issues and we had a fairly significant question and answer session. Senator Milne raised, for example, the five-star rating in Australia for residential buildings. In summary, I indicated that the Commonwealth does intend to ensure greater consistency in the application of building standards across all states because they vary. The increased energy efficiency requirements for new residential buildings to six stars, or the equivalent nationally, by 2010 and the introduction of mandatory disclosure of residential building energy, greenhouse and water performance at the time of sale or lease by 2010 go to some of the specifics of the key requirements that I referred to earlier. There is no criticism intended—not everyone follows the debate all the time—but there was
reasonably extensive debate and discussion with Senator Milne about some of the matters you have been raising.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.02 pm)—I want to go back to the interest expense. Because the rollout of the majority of this debt and this facility will be in the short term and the draw-down facility, as brought to light during the Senate inquiry, will be in the short term, do the government expect that the interest will be paid or is it their intention to capitalise the interest? If the interest is to be repaid, how do they expect that to be repaid from a reduced workforce? Is it their intention to tax the workforce more or to tax corporations more to make up the money? If that is not their intention then ipso facto their intention must be that they are going to capitalise the interest. Is that what they intend to do—capitalise the interest and buy more bonds for it?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.03 pm)—I think at least in part the answer to your question, Senator Joyce, is illustrated by why revenue estimates have declined so significantly—the $115 billion. That is because of the world economic downturn, or recession in many cases. As we have indicated, there will be recovery in the Australian economy and there will be recovery in the world economy, which has been so seriously hit by the financial crisis. We have indicated because it is an issue of focus for this government that, as the economy recovers and grows above trend, the government will be taking action to return the budget to surplus. That can mean allowing the level of tax receipts to recover naturally as the economy improves. I have mentioned the significant drop in estimated revenue because of the economic fall-off in this country and the recession in a number of other countries. So revenue will grow when the economy improves, and the economy will improve.

We have maintained our commitment to keep taxation as a share of GDP below the 2007-08 level. Further to that, not just on the income tax receipts, we have given a commitment to holding real growth in spending to two per cent a year until the budget returns to surplus. We have provided over the period through to 2011-12 various estimates and projections, as occurred when the Liberal-National Party were in government—and you were a part of that government. Treasury have provided as accurate estimates as they can make of the various economic indicators—unemployment, employment, economic growth, a range of other domestic economic forecasts on demand and output, and other selected economic measures—through to 2009-10 and, in the case of the budget deficit, through to 2011-12, of both the cash balance and the fiscal balance.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.07 pm)—With all due respect, I listened but I do not think I heard the answer, so I will try and be more precise: are you going to borrow more money to pay for the interest on the money we have borrowed in the short term? From what you say, Minister, it sounds like that is exactly what we are going to do, because you talked about the collapse of income. Can you give me a date as to when the $200 billion for the facility will be fully drawn? These are three distinct questions. The third question is: what effect have you been told the Australian government borrowing money—and, because it has not been denied, it must be sustained that we are going to be $270 billion to $300 billion in debt in the near future—will have on the cost of funds for other Australian individuals and corporations that are in the market? Will everyone else have to pay a one per cent premium, a two per cent
premium or a three per cent premium, or don’t you have any advice on that matter?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.09 pm)—On the issue of the date by which the up to $200 billion is to be drawn down, I cannot indicate to you by what precise date that will occur, if it does occur—and note that I say ‘up to $200 billion’. I do not believe anyone, either in Treasury or anywhere else in the private sector as of today, could give you a date. I do not have any advice from Treasury on the impact of government borrowing and the consequent impact on the costs of private borrowing. I suggest it would be an interesting discussion to have at Senate estimates with the Treasury economists as to what the impact, if any, may be. I am not an economist, but it is not simply that the government carries out borrowings and then there is automatically a similar impact on the cost of private borrowing—I suspect that there are a range of different economic factors to take into consideration. I would be interested in listening to that discussion at estimates with Treasury officials, but I am not in a position to have that discussion here and now. I have often heard the saying that there are as many different economic views in the world as there are economists. I suspect there are different answers to the question you pose. I do not have any information from the officials but, as I say, I suspect there would be differing views as to the level of impact of interest rates in the private sector as a consequence of the bond. I cannot provide you with an update or any sort of defined, detailed view, if in fact there is one, in this committee stage.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.11 pm)—Has the minister sought advice as to what the effect on domestic interest rates will be from the government being in the marketplace for up to $300 billion—as we are going to have an infrastructure package coming before us in the very near future, which I suggest will have to sit on top of our current borrowings? Did they get advice as to what the effect will be on domestic interest rates—yes or no? The second question is: what is your prescribed repayment time frame for this facility? Do you intend to repay it over eight years, 10 years or five years? In our experience, it took us about nine years to repay the $96 billion. If that is going to go by the same schedule, are we looking at 20 or 30 years to repay the $300 billion?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.13 pm)—The latter part we have already discussed, Senator Joyce. You want a time frame and projections beyond 2011-12, and we have discussed that matter. I can provide some additional information—

Senator Coonan—You’re on the filibuster register, are you, Dougie?

Senator SHERRY—Interestingly, I do not think any of my colleagues have participated since—

The TEMPORARY CHAIRMAN (Senator Troeth)—Minister, we will keep to the matter under discussion.

Senator SHERRY—Yes, you are on the ball, Chair, about cross-conversations; thank you very much. I have been responding to questions posed by Senator Joyce, Senator Macdonald, Senator Abetz—

Senator Coonan—You haven’t talked to me yet.

Senator SHERRY—Well, give us a few. We have a couple and I hope they are—

Senator Coonan—We’ll give you some more.

Senator SHERRY—Yes, I hope they are coming, as I have indicated. I think I have made my best efforts to answer every ques-
tion posed; it just takes a little time to get the answers. I am providing a rolling series of answers to questions that were put an hour or two ago in some cases.

I can provide some additional information about this crowding-out issue, Senator Joyce. It is Treasury’s view that there is little risk of Australian government borrowing crowding out private sector investment, because it will remain relatively small when compared with the GDP and the overall size of Australian credit and financial markets. I am just thinking about this issue, Senator Joyce. The argument is that the level of government debt or borrowing will crowd out private sector investment and therefore interest rates will be higher. That argument is not accepted by Treasury. I referred earlier to the levels of government debt in a range of overseas countries. Many of those countries have lower interest rates than Australia at the present time although they have a higher government debt—and they had that higher government debt even before the financial crisis. They had higher debt as a proportion of GDP than Australia and they had lower interest rates, so there are other economic factors. There is little risk of Australian government borrowing crowding out private sector investment, because it will remain relatively small when compared with the GDP and the overall size of Australian credit and financial markets.

The Australian government has a AAA credit rating, and our Treasury bonds are high quality and attractive to investors. That is another factor, Senator Joyce. If a country does not have a AAA credit rating, for a whole range of reasons—not just their budget deficit but other factors—it would stand to reason that that would impact on the borrowing rate. Despite the rise in borrowing, our net debt position will remain strong relative to many other countries that are currently enjoying a AAA credit rating. The borrowing is only a short-term measure which is necessary to finance a temporary deficit and, as I have indicated, once the budget has returned to surplus, additional borrowing will no longer be required and debt can be repaid. I have already alluded in some detail in previous answers to the issues you raised about the repayment of debt, and the parameters I pointed to are the parameters by which that will occur.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.17 pm)—You mentioned a key word there; this is borrowing in the ‘short term’. Can you please define for us what you mean by short term?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.18 pm)—I will come back to that question shortly. Shortly!—sorry I was not intending to make a pun. I am now in a position to respond to some questions that Senator Coonan posed a short while ago. I can provide some detail to the committee. The insulation measure will reduce emissions beyond the 2020 CPRS target. The measure will work in conjunction with the Carbon Pollution Reduction Scheme. The overall target of emission reduction is set by the CPRS. The Energy Efficient Homes package will reduce household energy usage and therefore lower the cost of abatement. The measure will also lower energy use by householders, leading to lower energy bills and an increase in the comfort of the households.

There was some discussion and questions about insulation in wooden homes—from Senator Williams, I think. Evidence from industry and academia, about experience of insulation in a range of household types, upholds the benefit of installing insulation in ceilings. It will result in improvements in thermal efficiency of houses, and heating and cooling energy savings, and is the most cost-effective, energy-efficient measure.
I have some further information for Senator Macdonald in relation to the dollars available for road access to towns like Karumba. He raised the Karumba community specifically. As a supplement to the previous reference I made to moneys in the package, there is an additional $90 million for black spots, which was based on demonstrated safety and need. There is a requirement to demonstrate a case but Karumba may qualify for that. I am just not in a position to indicate specifically but I have said that I will pass the request and the issue on to the infrastructure minister, Mr Albanese.

Senator Joyce raised, a little while ago—I did respond to a number of the questions—the issue of state responsibilities and he highlighted the issue of boom gates and schools. The states have very significant investment programs, including rail safety infrastructure and schools. The issue with respect to the Nation Building and Jobs Plan is that the states’ investment programs should be accelerated to provide a timely economic stimulus aimed at improving nation building and supporting economic growth and jobs. The Commonwealth will use its financial capacity to provide the states with the funding needed to bring this investment forward—I deliberately emphasise ‘bring it forward’. These have been identified as areas where the description is, I think, ‘shovel ready’—where the detail of the projects is known and they can quickly be brought to bear and brought forward. As I indicated earlier, the Prime Minister is going to be very tough on replacement should any of the states attempt to do that. The accelerated installation of boom gates and other active control mechanisms at high-risk crossings, and the new and upgraded facilities in primary and secondary schools, we believe are very responsible investments in the community. The projects are very easy to identify and very quick to implement; they have been quite deliberately selected to be part of the package on that basis.

To respond to the issue of what is the ‘short term’, I think the difficulty, Senator Joyce, is that no-one can predict the length of this financial and economic crisis. The government has been very upfront about that. As I indicated earlier in response to Senator Fielding—who would have believed some of the impacts of the US subprime crisis, say, a year ago? I would not have believed it. So it is very difficult to predict the length of the crisis. The government has articulated how it will return the budget to surplus. We have touched on that on a couple of occasions in this question and answer session. We do not believe you can put an exact time frame on what is the ‘short term’. But what is important is that this government has decisively and quickly articulated a strategy that we believe is appropriate, given the very serious world financial and economic events that have been so quickly unfolding.

The TEMPORARY CHAIRMAN (Senator Troeth)—Senator Joyce, I would remind you that Senator Siewert has been waiting for some time.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (5.23 pm)—I acknowledge that. This is my final question. The answers at best have been nebulous and amorphous, and we are not really drilling down. It is a very specific thing that has a very specific outcome, which is the debt. The interest that the Australian people will have to pay will be absolutely evident. The effects on the budget will be absolutely apparent. The efficacy is the only thing we cannot seem to prove. And now we cannot even get a definition of what ‘short term’ is. We have discovered already that we are not looking at $200 billion; we are looking at up to $300 billion—

Senator Boswell interjecting—
Senator JOYCE—The $70 billion infrastructure fund that is coming. We have discovered also that we are not intending to repay it; we are just going to borrow more money to pay for the interest. We also know that we are a third of the way to where even Dr Henry says we should not be, which is a trillion dollars in debt. This is pretty startling stuff. We could have got through this had we had a longer inquiry. While sometimes we disagree, I concur with Senator Fielding that these are the sorts of details the Australian people want to know. It is absolutely crucial and fundamental in the way people vote around here. I and my colleagues will at times give people the benefit of the doubt and support you on issues if we think that you are being fair dinkum with us, but I do not think you are this time. I suspected it had hairs all over it at the start. The more we get into it, the hairier it gets—hairy and very dangerous, actually.

I am going to come back later on—I will give someone else a chance; I apologise, Senator Siewert—to really go through the efficacy of the spend. But there is one thing the Australian people can gather from this afternoon: that we are on a very treacherous path to a substantial amount of debt and there is absolutely no comprehension whatsoever of how we are ever going to repay it.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.26 pm)—I will respond briefly. I do not accept your claim about ‘nebulous and amorphous’ responses. I am going to give you another response with respect to a specific issue in stamp duty. But, where the questions have sought quite specific answers, I believe I have given specific detail where appropriate—in fact, Senator Joyce, you objected when I went through some very specific detail with respect to government debt levels as a proportion of GDP and the stimulus packages. It was very detailed. That was in response to not just your question here but the question at estimates.

On the issue of states purchasing homes, and their own stamp duty laws, they would apply to the purchase. That is only likely under some ownership arrangements. The net financial impact on the state is zero. For example, if they paid $10K in stamp duty, less they receive $10K, the stamp duty revenue is zero to net cost. Where the states’ housing authorities have an exemption from stamp duty laws, there is also no financial cost. We understand this is the case with state housing authorities. In neither of these cases would the Commonwealth in effect be funding the stamp duties.

Senator SIEWERT (Western Australia) (5.27 pm)—I seek clarification of an answer to a question from Senator Milne, and I also have some questions about those on Newstart. In answer to a question from Senator Milne the minister said that the social housing package relates to new homes. My question is: does it relate to new homes that will start after this package was announced or will it include homes that were started prior to the announcement of this package?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.28 pm)—It is to fund new homes. I am told that there may be some circumstances where there is a partially completed home where that could be possible—where it is part way through. But it is to fund new homes.

Senator SIEWERT (Western Australia) (5.29 pm)—I wonder if the minister could be more specific about what the circumstances are when a home has been started. Does the government intend to release guidelines around that and the circumstances under which partly commenced new homes could be counted as part of this package? What circumstances does the minister think would
be relevant in order for those homes to be paid for out of this particular package?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.30 pm)—There will be a set of strict criteria which will be monitored by the Commonwealth about the purchase of new homes and, where there is existing partially completed stock, about how that would occur. We are not ruling it out. I am not saying that that will happen, but we are not ruling it out because it may be necessary. That is not the focus of the program going forward, but there will be detailed criteria set out to oversee that.

Senator SIEWERT (Western Australia) (5.31 pm)—That, obviously, would be our concern—that it was, in fact, paying for homes that had already been commenced or already built but which were still classed as new homes. That surely would undermine the object of this exercise, which is to stimulate jobs et cetera. I have some questions now around Newstart. They follow up some questions that I asked during the committee inquiry. Some of the answers did not provide all of the information that we need to analyse this package. I also want to ask further questions following on from some of those answers.

From the information that we have received to date, it is very unclear just how many unemployed people—people on Newstart—will actually receive any form of support under this package. I am seeking more detailed data to ascertain, if we can, exactly how many people currently on Newstart will be receiving some form of payment. Treasury responded to questions I asked about the number of people who would be receiving the education entry supplement. Out of that, they said there would be an additional 184,178 people. Of those on the Newstart allowance, there would be 50,925. There are, at this current time, over 450,000 people on Newstart. There is obviously a significant difference between 50,000 and 450,000. The government maintains that people on Newstart will receive other payments under the package. What I am trying to find out is: how many people on Newstart will receive the tax bonus, how many people will receive the back-to-school bonus and how many people will receive the single-income bonus? This will give us a better idea of the number of people on Newstart who will not receive any bonuses.

I presume that it may take a couple of minutes to find that information, so perhaps I should also ask the other questions that I have. As I understand it—and I am asking the question as I am not exactly positive—under the tax bonus system, you lodge your tax return and you actually have to have paid some tax to receive the tax bonus. Is that a correct understanding of the current situation?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.33 pm)—Yes, you have to be a net taxpayer and you have to have lodged by 30 June.

Senator SIEWERT (Western Australia) (5.34 pm)—That does, in fact, clarify the fact that if you earned below the tax threshold, despite the fact that you have put a tax return in, you still will not receive the tax bonus. So that group of people will potentially miss out on payments? I will leave that question there.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.34 pm)—It seems logical, but I will double-check the data.

Senator SIEWERT (Western Australia) (5.34 pm)—As we understand it, this payment—the additional supplement payment—will go to those people who are eligible for
the existing $208 education entry payment. The answer to a question on notice that I received following the inquiry said that the projected increase in the number of people that will receive the original payment of $208—because they are to receive both—has not been included in this package. I am wondering if that is going to be picked up by government outside of this package and how, in fact, that will be paid for. It is obviously extra to what was originally budgeted for through the normal budgetary and appropriations process.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.35 pm)—We will have to come back to you on that.

Senator SIEWERT (Western Australia) (5.35 pm)—I thank the minister for undertaking to come back to us; I cannot thank him for his answer! The other issue that I would also like to clarify is that, during the committee inquiry, we established that people who become eligible and apply for the education entry payment will still have to go through the normal process that exists under current regulations and rules. That is, if you are on Newstart, you will either come off Newstart and go onto some other income-support process or it will be part of the activity agreement, which, presumably, will in the future then transfer to your employment pathway plan. That will take some time. What start date does the government envisage for this to roll out to people currently on Newstart who are receiving other income support and who are eligible for this supplementary payment? Quite clearly it is going to start and funds will become available much later than the other payments because of that more complicated process.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.37 pm)—I will take that on notice. We will obtain a specific answer for you.

Senator SIEWERT (Western Australia) (5.37 pm)—So I can be clear, and to save you some additional work later on and while you are finding these figures, I want to go back to the issue of those on Newstart and those in particular who have been on Newstart for the long term or who are long-term unemployed. I am trying to work out how many Australians in that group of people will not be receiving any form of support through this package. I want to be clear that that is the information I am trying to find. I would like you to provide some information on that. I want those other figures because I think it will be useful for us to know who is being helped. I am trying to work out clearly how many Australians will not be receiving support through this package, bearing in mind that we are talking about people who are trying to survive on an income, if they are single, of just over $224 a week. I am trying to find out those exact figures. To date we have not been able to get access to that information and identify that accurately.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.38 pm)—To make progress and get the detailed responses that you need, I have just spoken to the advisers. We do not have an adviser to hand with that specific detail, but I have put in a request to speak to the office of Minister Brendan O’Connor. We have until tomorrow to debate the package, so we will put in a call to Brendan O’Connor’s office and make sure that there is an official available who is able to provide the detailed responses you are seeking, hopefully by resumption tomorrow. Because we are in committee and out of respect for the committee and all senators, the information which you are given—the detailed material you have sought—will be provided to the Senate as well.
Senator LUDLAM (Western Australia) (5.39 pm)—I would like to take us back to some of the matters that were raised earlier in the housing portfolio. I am interested in getting some further information, if the minister can provide it, on exactly how the funds for the housing package will be distributed—in particular, the obligations of the coordinators and the people who will be looking after these large transfers of funds to the states. What will be the reporting obligations not only for energy and water efficiency, which we know are in the schedule, but also for the location issues—proximity to public transport, to services, to access to employment and so on? We know that the government has an eye on these issues, but it is very unclear how it will be reporting and benchmarking them, whether these reports will even be made public and on what sort of basis they will be provided to the minister or the parliament.

I would also be interested to know whether the Commonwealth has an intended balance of funding between regional and metropolitan housing for the public housing spend and whether there is any intention, at a Commonwealth departmental level, to target the housing to areas of greatest need or whether this responsibility is being devolved to the states. Does the Commonwealth government have a proportion or target in mind by which the community housing sector, as opposed to state housing commissions or public housing departments, will be managing these properties?

One of the issues that was raised late last year in the debates around the National Rental Affordability Scheme and that was raised again yesterday in the Senate Standing Committee on Community Affairs was the issue of charitable tax status for community housing organisations that are seeking to be part of the management structure of these housing projects. It was put to the committee and was not really satisfactorily dealt with by the answers that we received, albeit at short notice, from the department that a solution was in train and that something would fall out of the Henry review. It was put to the committee by the housing organisations who spoke to us in the committee that that would be too late—that the tax issue, as it remains unresolved to date, is already putting a chill over the community housing organisations that are seeking to be a very important part of the management of these housing projects. My understanding is that the Commonwealth sees them as an important part of the management of these housing projects. We are interested in what measures the government has in place. We will be very disappointed if the answer that comes back is that you are waiting for something to arise out of the Henry review, because we certainly heard evidence that that would be too late. If the minister could provide us with any information on these matters, that would be greatly appreciated. We would be very interested to know how you intend to benchmark the reporting obligations of the states and the various housing providers and whether they are meeting benchmarks on energy, water efficiency and the location issues.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.43 pm)—The target figure that you were seeking for the community sector is around 75 per cent. Could you repeat the first question? The official was in transit into the chamber. I also cannot clarify the charitable tax status issue at the present time. I am not going to attempt to refer you to the Henry tax review, but I cannot clarify it now. I will see if I can get some information when we finish the debate. Some information may come in before we finish tonight. Perhaps before we resume tomorrow I can get you some further information.
Senator LUDLAM (Western Australia) (5.44 pm)—I thank the Minister for Superannuation and Corporate Law for providing the answer to the second question. The first question goes to the reporting obligations of the people coordinating these large transfers of funds from the Commonwealth to the states. We know that in the schedule to the IGA the government has acknowledged that energy and water efficiency play a huge part in the long-term affordability of housing and so too do access to public transport, services, sources of employment and so on and that these developments will be targeted for the public housing spend. What I am interested to know is how this will be reported. Will it be reported to the minister or, indeed, to the parliament and on what basis? How are you benchmarking such issues as access to public transport? How are you benchmarking energy and water efficiency? How will the parliament be informed of progress and whether you are meeting the targets that you have set?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.45 pm)—The coordination and the reporting is being handled through the Department of the Prime Minister and Cabinet, which, in turn, will be reporting to the Council of Australian Governments, commonly known as COAG. I am going to clarify whether that will in fact be made public, but I suspect it would be a decision of COAG to make public the reports on the requirements through the coordinator-general in the Prime Minister’s department.

Senator LUDLAM (Western Australia) (5.46 pm)—I certainly do not dispute that COAG plays that coordinating role and an information collecting role but, with the spending of taxpayers’ money on this scale, I would be disappointed if data were not later made available to the public, through the parliament, on whether the benchmarks on the different factors that I have identified are being met. So I seek further information on whether this will be left to COAG or on whether there has been some thinking on that on behalf of the government.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.47 pm)—I will clarify the extent to which reporting will be made public, how that would be done, the time frame et cetera. I cannot give you a specific response about that level of detail now; but I will attempt to obtain it before we commence tomorrow. I accept your point that there should be public access to the reporting and performance et cetera.

Senator LUDLAM (Western Australia) (5.47 pm)—It has been reported, and it has certainly been part of the debate, that the Prime Minister has made much of what he calls punitive measures, which would be enforced if the states and territories do not adequately discharge their responsibilities. With specific regard to the housing component of the stimulus package can you just outline for us what the punitive measures would look like in this portfolio in the event that the benchmarks are not being met?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.48 pm)—If the state or territory failed to meet the performance reporting criteria that are set down, the funds would be reallocated from that state to other states and territories.

Senator LUDLAM (Western Australia) (5.49 pm)—Does the Commonwealth have in mind a system that is similar to what was adopted for the enforcement of national competition policy benchmarks? These were reported in public, and governments were expected to meet certain benchmarks; otherwise, competition payments to the states were withheld. Is what you have in mind something similar to that framework?
Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.49 pm)—You have raised the issue of competition reform and the payments that were made. It is a similar approach but it is not identical. As I have said, we intend to have very clear benchmarks, reporting back and penalties. Competition payments were, I think, withheld or delayed in the case of some states. It was a similar approach, but I think there were legislative requirements underpinning competition policy—I am trying to reflect on the formal process that occurred there. It was somewhat similar but not identical.

Senator LUDLAM (Western Australia) (5.50 pm)—This really goes to the question of accountability—in particular, public accountability—because, whatever you might think of the way competition policy evolved in Australia, governments did know where they stood and the public was informed fairly promptly as to whether the benchmarks that had been set were met. I would like to add to some of the factors and matters that I raised before. This housing, particularly for the cohort of people we would be building for, would require adaptable design components and ageing in place and disability access. I would like to know whether these matters have also been formally benchmarked. I would appreciate it if I could add those items to the questions that I raised earlier about accountability, reporting, benchmarking and so on.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.51 pm)—You touched on disability access, for example. Yes, that is an issue. I referred earlier to the universal design principles that facilitate better access for persons with disabilities and older persons. I have referred to that. It does not mean, I have to say, that this applies to 100 per cent of dwellings built. It would be a very high proportion and it obviously depends on the tenant and their circumstances. It may well be that a tenant does not require disability access, but you obviously need to have sufficient housing stock to ensure that you are able to meet the demand from that group of people in society and the special needs of those who are disabled or elderly.

Senator LUDLAM (Western Australia) (5.52 pm)—Finally, Minister, the Insurance Council of Australia has been talking in recent days about resilience in housing, particularly with regard to natural disasters, to which Australia is becoming increasingly prone. They are looking at fire, flood, climate change impacts and so on. While some of these measures for resilient housing would increase the upfront cost of some of the housing that we are building, it will certainly reduce insurance premiums charged and paid, which again is another cost to the Commonwealth or to the community housing sector. I am wondering if you can inform us as to what degree you are considering resilient housing measures and adaptability to these sorts of events and what kinds of benchmarks you would be setting for the developers and the builders.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (5.54 pm)—It is quite a complex issue you raise about whether or not there would be a reduction in premiums. For the new stock we are talking about, the premiums would be paid by the housing authorities, where they insure. They may self-insure in some jurisdictions, so that government would be carrying the cost of the insurance itself—in other words, it has not gone and taken out insurance. So obviously there is no change for the governments who do that through their housing authorities. The change would be for the state governments that are self-insuring. Presumably there would be a reduction in claims, not through private insurance but
through depreciation and damage, repair et cetera to the building, whatever the circumstances are.

I know a number of actuaries through my interest in issues around superannuation. I think this would be a worthwhile issue, because there would be quite a complex set of issues to consider. Yes, you would expect the cost of insurance to come down over time—as to the extent or the time frame, I could not hazard a guess—but there may be other factors that counterbalance the issue of better designed and constructed homes. For example, and I am just speculating here, it may be that, because you have a shift in the demographics of the population, you do not have a reduction in premiums, for other reasons. I do not know. There would be quite a complex set of factors involved in making an actuarial projection about insurance premiums over time. It would also be reflective of historical claims and whether there is confidence that they would start to decline for the reasons that you touched on. It would be a complex set of issues that actuaries would be able to advise us on, so I could not give an indication today whether or not the premiums would come down.

I am just trying to think of the best way. Perhaps I could organise a briefing through the Government Actuary, who falls within my direct responsibility. The Government Actuary may be able to do that. If you want that sort of briefing before tomorrow, it may be possible to organise it. I am hesitating a bit because I did not anticipate in this debate a call on the Government Actuary, but I can certainly arrange for the Government Actuary to sit down with you and whoever else is interested in this issue to go through the issues and factors and give you a briefing on the matters. I am very happy to organise that for you.

Senator LUDLAM (Western Australia) (5.58 pm)—Minister, I will leave this line of questioning there, but I would appreciate, if not a briefing, certainly some indication in the morning of whether the government has considered the issue of resilient housing for people on low incomes and for a very large spend of public housing funds, both in the short term as it relates to the risk for the people living in these houses and also in the long term in terms of the expenses and the costs of insurance and so on.

Senator ABETZ (Tasmania) (5.58 pm)—I have a list of questions, but I fully understand the minister is still dealing with another matter. Once I have the minister’s attention, I will ask them.

Senator SHERRY—Sorry.

Senator ABETZ—No, it is all right—understood. Do you want to respond to Senator Ludlam?

Senator SHERRY (Tasmania)—Minister for Superannuation and Corporate Law) (5.59 pm)—We will have a response for you tomorrow morning, Senator Ludlam, on the issue of resilient housing. The offer I made regarding the Government Actuary and insurance premiums still stands. Senator Siewert, regarding your questions in respect of Newstart, we have an officer now available. I do not know whether you wish to run through those issues again now, but the officer is here. We were not able to answer a number of Senator Siewert’s questions earlier.

Senator ABETZ (Tasmania) (6.00 pm)—My first question is: is there any movement at the station, if I can put it that way? Are there any amendments? We are dealing with a $200 billion package overall and we now have less than one hour’s worth of debating time left this evening. If there are to be amendments to what is a very substantial package which will place a debt burden of
$9,500 on each man, woman and child in this country plus interest accruing. I think the opposition is, as a minimum, entitled to consider any proposed amendments overnight. So I would be appreciative if we could be given an indication as to when these amendments might start appearing.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.01 pm)—Just one minor correction: it is not a $200 billion package; it is a $42 billion package.

Senator Abetz interjecting—

Senator SHERRY—The cost of the package is $42 billion, and you well know that. The bill in the package refers to the loan facility of up to—


Senator SHERRY—Yes, I am well aware of it and its provisions. I have been briefed and I have responsibility for it, but the package is not costing $200 billion, as well you know. It is $42 billion. As to movement at the station, as you referred to it, I cannot provide any update about an amendment or amendments at this point in time. You have pointed out, and I am certainly very well aware of, how long the debate has been going. It is now approximately 6 pm. I think we are moving to other business at 6.50 and, of course, we have a full day and night tomorrow—and I am raring to go.

Senator ABETZ (Tasmania) (6.02 pm)—It is great to hear that the minister is raring to go. We were told that this package had to be passed by last Friday. I have canvassed the arguments. The hectoring and bullying of the Senate by the leader of the government has now been blown out of the water by the evidence of the bureaucrats before the committee. But, if there are to be amendments to such a substantial package, then clearly the opposition and other senators are entitled to know what they are. To simply have an open-ended situation where we might only get to see the fine print by tomorrow morning, if that early, clearly is inappropriate.

For the benefit of the minister, within the package of bills we are considering is a bill entitled the Commonwealth Inscribed Stock Amendment Bill 2009, which at section 5A(3) tells us that there is to be an increase of $125 billion to the total face value of stock and securities, and that is on the existing $75 billion. I confess I was never good at maths, but I thought $75 billion and $125 billion might add up to $200 billion. That is a part of the package that we are being asked to vote on. Sure, the majority of discussion has been on the $42 billion part, but this is a specific piece of legislation which I understood you wanted passed.

I was not going to ask this, but I may just follow up on Senator Ludlam’s questions. Whilst I understand that there is a coordinator-general to be placed in the Prime Minister’s office, if I am not mistaken the reporting by the states will in fact be by a coordinator-general who is a state public servant paid for by the state government who will then be reporting to the coordinator-general in the Prime Minister’s office. If we want robustness and transparency, I doubt that the state coordinator is necessarily going to dob in his or her state and say, ‘We have been missing all the benchmarks and guidelines.’ So, whilst there is somebody, as I understand it, in the Department of the Prime Minister and Cabinet, that person will be reported to by state officials paid for by the state government. I must say that does not give me much confidence that there will be that robustness of reporting. If we look at how the states report on hospitals, education, policing, roads and all their other responsibilities, it does not give one much confidence.
Can I just briefly say that it has been interesting listening to the debate this evening, with people talking about insulation, houses et cetera. The giveaways are all very nice. But, of course, the real thing here is the $200 billion debt—$9,500 per man, woman and child in this country—that will have to be repaid some time in the future.

I made those comments whilst the minister was liaising with his advisers. I have no criticism of that, but I do want his attention for the specific questions that I have. I would like to know whether cabinet approved this package and, if so, when they approved the package. When was the UEFO signed off to go to the printer? By whom was it signed off?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.07 pm)—I am just endeavouring to find a document which has at least some of that information. I know we have some information, because I had a document earlier, but you were not here and I did not come back to it. We are trying to find out where it has gone. I will—hopefully—finish on the issue of the coordinator-general. The coordinator-general will oversee the work of the Commonwealth and the states and territories in the Department of the Prime Minister and Cabinet. At the Commonwealth level the agencies will nominate by the end of February 2009 a senior national coordinator for each major infrastructure and stimulus measure. The national coordinators will have responsibility for ensuring that the milestones are achieved and that any implementation issues are addressed as a matter of urgency.

The issue you have raised, Senator Abetz, is to do with coordinators being public servants at the state level. I think the advantage would be that they would know the areas which they are coordinating. They would be familiar with them. If anyone got up to any tricks, I would have thought that they would be better placed to identify that. However—

Senator Abetz—Like auditors who are the company accountants.

The TEMPORARY CHAIRMAN (Senator Crossin)—Senator Abetz, I think you need to seek the call if you want to provide some input.

Senator SHERRY—I have sufficient confidence in the integrity of all public servants, whether Commonwealth or state, that once they are assigned to a task they will carry it out diligently and ethically. So if you have a state employed public servant carrying out a task set by agreement between the Commonwealth and the states through COAG, I believe that even though they are employed by a state government they will carry it out diligently and in accordance with the agreement. As I have indicated, them having knowledge of the areas that they are coordinating and evaluating would be a particular advantage. I think that, on balance, for those reasons, the appropriate checks and balances in the structure are contained.

The Strategic Priorities and Budget Committee of cabinet agreed to the bulk of the package on Thursday, 29 January, with some fine details settled between the Prime Minister and the Treasurer after that meeting. The Treasurer signed off on the document at 6 am on Monday, 2 February.

Senator ABETZ (Tasmania) (6.10 pm)—At what time on Sunday did the Treasurer finally sign off on this document?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.10 pm)—I am not really sure of that level of detail, but I will see if we can find out what time, where he was, what pen he signed off with, what colour it was—black or blue—and how much sleep he had the night before, which I suspect was not much. There
may be some relevance to the level of detail we are getting to, but it has not become immediately apparent to me. It reminds me of when I asked the former Treasurer, Mr Costello, about the check-in and checkout times of the GST committee, when I was in opposition, in order to try and determine who was working on the GST package. It was a high-security zone down in Treasury and I wanted to know who was going in and out at what time. The records existed because of the security situation. There was an electronic check-in and checkout. I have to say that the former Treasurer, Mr Costello, was pretty blunt in his refusal to provide that level of information. I really think we are getting to that stage now. But I will put a request in to the Treasurer’s office about the approximate time, within a few minutes, that he signed off on it.

Senator ABETZ (Tasmania) (6.12 pm)—I thank the minister for that response, but I remind him that that sort of bluster was exactly his approach when I was asking questions of Treasury, at estimates, about Fuelwatch. I was told that, in its production, people were working normal hours and that there was the normal course of business. When we started asking for the detail, we found that somebody had worked 37 hours straight, around the clock, to rush in the now ill-fated Fuelwatch. Can I say that it is from the experience of seeing this government in operation—and rushing things for a political agenda as opposed to any other agenda—that I ask the question. I remember Fuelwatch was so urgent because it was going to be the saviour of everything. It has now been dumped as bad policy. Similarly, this has been rushed in. We were told we had to deal with it by Friday last week. We now at least have an extra week without impacting on anything. So one has to ask again: why the rush?

Allow me to move to my next question. I may have missed the answer to this. If so, I do apologise. I understand that Senator Joyce asked a question as to the meaning of ‘short term’ in relation to the huge, unprecedented borrowings that this nation might undertake if Mr Rudd gets approval for his $200 billion bank card. I was just wondering whether we now have a definition of what ‘short term’ might mean. If that has already been given, if the answer could be provided to me that would be helpful. I think in the context of Australians being told that this is a temporary measure, only a short-term measure, they are entitled to know when ‘temporary’ or ‘short term’ is going to finish or what is the longest that the government anticipates the term ‘short term’ to mean. I think we are entitled to an answer to that. If an answer is still being obtained, that is fine.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.14 pm)—Again it was in your absence, Senator Abetz, and that is not a criticism. We had a discussion with Senator Joyce about ‘short term’. I do not know whether you were watching that.

Senator Abetz—I did not think an actual answer was provided.

Senator SHERRY—It was certainly provided. No-one can predict the length of the crisis. Government has articulated how it will return the budget to surplus. You cannot put an exact time frame on ‘short term’ but, again, the government has articulated a clear and decisive strategy.

I want to come back to the earlier point you made about public servants working hard. What I do know is that, yes, many public servants at certain times work very, very hard indeed. I wish it was not the case but they do work very hard. I have witnessed firsthand the public servants. I have had meetings with on very early mornings, at
nights, fortunately not too often at the week-
ends, I have to say, but working very late
ights and long hours. The other point I
would make, on the question you went to in
terms of times and who signed what et cet-
era, is that it also goes to show just how ex-
traordinarily hard the Treasurer works. On a
Sunday he was going through a very detailed
and important package. And I know from my
contact with him, which is sometimes at
weekends, he is working every day and night
of the week in an extraordinarily dedicated
and committed way. So, yes, there are times
when public servants work extraordinarily
hard, and with respect to this package the
Treasurer was working hard. I spoke to the
Treasurer when we were having some dis-
cussion about some other matters, and we
were both supposed to be on leave at the
time. I am not complaining about it. That is
just the way government is, and the times
and the circumstances in the Christmas-New
Year break. So, yes, public servants work
very hard. At times they work extraordinarily
long hours, particularly on budget type pa-
pers. But the Treasurer works extraordinarily
hard and, for that matter, the Prime Minister
as well, from our experience.

Senator ABETZ (Tasmania) (6.17 pm)—
Thank you for that homily on how hard eve-
rybody works. That is very nice.

Senator Sherry—You work hard too,
Eric.

Senator ABETZ—Thank you, Senator
Sherry. Can I say that it will not throw me
off the trace of the term ‘short term’, because
basically what the minister is now telling the
Australian people is that he cannot define
what short term means. Nobody knows when
this current period is going to end. Given
that, to try to sell to the Australian people
that this is a short-term measure, as opposed
to a mid-term measure or a long-term meas-
ure, is in fact to mislead them. I would have
thought that the Australian people in general
terms would have thought that short term
might be a couple of years or three years.
Once we start ballooning out beyond three
years, I would have thought that the govern-
ment cannot say short term, but it has been
saying temporary, short term et cetera. I note
the government is unable to define it—and to
a certain extent, given all the circumstances,
I accept that. But what I do not accept is the
political spin of the usage of the term ‘short
term’. As we have always suspected with this
package and the language associated with it,
it is about spin rather than substance. I would
have thought that if you were to level with
the Australian people, to coin a phrase, you
would say, ‘I am sorry, we can’t tell you
whether this is going to be ‘short term’, me-
dium term or long term because nobody
knows when it is going to end.’

In an earlier answer Senator Sherry placed
great emphasis on the advice of Treasury
guiding government. As I understand it, this
was the same Treasury that allegedly advised
the government only 12 months ago that the
economy was overheating, that the genie of
inflation had escaped out of the bottle and
that $20 billion had to be taken out of the
economy to slow it down by way of extra tax
revenues, as witnessed by the last budget,
only to have the economy a few months later
slowed down and cooling off. This was un-
predicted, we were told—albeit the former
Treasurer, Mr Costello, during the last elec-
tion did predict the economic tsunami com-
ing our way, which of course was scoffed at
by Senator Sherry and his leader as a tactic
designed to scare people about voting Lib-
eral. So all I can say is that the reliance on
this Treasury advice is not all that robust and
the terminology is a matter of concern. But
can I ask one question of the minister: will
the money ultimately need to be repaid?
Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.20 pm)—The Treasury officials that you have somewhat criticised are the same Treasury officials that advised you, the Liberal-National Party, in government. These are the same Treasury officials that I have spent many years asking questions of. Going specifically to the change in economic circumstances, economic circumstances and forecasts have changed dramatically—and I stress dramatically—over the last year, given the financial and economic crisis. I can recall, going back over a number of estimates and a number of years, questioning Treasury about, for example, the mining boom and the demand from China and questioning the veracity of the forecasts. Treasury officials had a two-step down, in terms of the value of mining and demand and the revenue impact on the budget, and they kept moving that out because the mining boom went on longer than anyone reasonably expected and they could not identify when it was going to end. They could not identify it was going to come to an end under your government and under our government when we were first elected. But the mining boom has ended, because we have now got a significant change in economic circumstances.

Sure, I criticised Treasury from time to time when I was in opposition. I have criticised them, and I had some strong debates—I would not describe them as personal—and some good discussions when I was in opposition. I did most of the economics and finance estimates committees and had a lot of exchanges with Treasury over the years. They are not infallible, and I do not think they suggest they are infallible. But I do know that, by and large, they all try to get it right. Economics is not a precise science, but I do know that we have got very good officials—

Senator Abetz—It is with ETS modelling.

Senator SHERRY—Senator Abetz, you made a general critique; I am responding in a general way. I accept that. I am not going to take an inordinate amount of time in my response. I would argue, and I came to this conclusion very early on in this place and very early on in opposition, that we have very good officers in Treasury and Finance. Yes, there will be disagreements from time to time but we have got very good officers who do the very best they can. They overwhelmingly get it right. There are some occasions when they do make mistakes and there are some occasions when they do not get it right but, overwhelmingly, they do. So I have every confidence in them. That is a confidence I have developed not just over the year in government in my dealings with them; that is the view I developed over many, many years. So I do want to defend Treasury officials. I confess to once having a sharp exchange, and I think I went one step too far with one official in my almost 12 years but, overwhelmingly, they do an extraordinarily good job.

I reflected earlier on the range of issues that have come on this government. I reflected on the range of issues that I certainly did not expect, when I became a minister, as a consequence of this world financial and economic crisis—issues that I would not have dreamt would become public policy issues of such contention, and I specifically mentioned short selling and there are many other issues, because of the very rapidly evolving and changing world financial and economic crisis. I would not have dreamed, a year ago, that you would have the banking system in the US and the UK collapsing. I would not have dreamt it possible that the US would be nationalising banks. I do not think anyone, certainly not my Labor colleagues, would have dreamed that you would
see George Bush, US Republican President, nationalising banks. That is just how extraordinarily circumstances have changed in the last year.

I will conclude there. I think it gives you some indication of the very different nature of the outlook that we face today compared to three months ago, compared to a year ago or compared to 18 months ago. I do not believe I have seen economic circumstances, other than perhaps the oil shock of the early 70s, change so rapidly and, unfortunately, detrimentally before around the world in my lifetime.

Senator ABETZ (Tasmania) (6.26 pm)— I am sure the minister overlooked the question as to whether the debt will need to be repaid. That was in fact the question I had asked. Could the minister answer that. And, whilst he is getting an answer together, possibly to be taken on notice so that we can get an answer when we are told with what colour pen the Treasurer signed a certain document—which I did not ask, by the way—can we be advised of when the Treasurer was given a proof copy of the UEFO or previous advice on the revision in revenues shown in the UEFO.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.27 pm)—I can give one time and day, and I will try and get the other answers. I will not be going to the Treasurer’s office personally and asking those questions. But I can inform you that the Treasurer signed off the documents at 1 pm on Sunday, 1 February 2009. That is the answer to the question you asked a little earlier.

When will the government pay down the debt? As we have said time and time again, 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 down upon to pay down debt as rapidly as economic conditions permit. I did have an earlier discussion with Senator Joyce, and we went through those matters in fairly considerable detail—not to his satisfaction nor, I suspect, to yours—so we did canvass that set of issues much earlier.

Senator Ludlam raised charities’ tax status. I do have a response. Community housing providers will be able to provide social housing in the package without the risk of losing their charitable status. It does fall within core activities of a public benevolent institution. The Treasury will continue its work with the ATO with the aim of providing certainty on this issue, but the advice I am given is that it is not an issue.

Senator Ludlam asked how the funds will be distributed. The states and territories will receive an allocation on a population basis, provided proposals from the states and territories meet key requirements. The Commonwealth will select the projects in jurisdictions that provide the best outcomes against the requirements. If a jurisdiction does not provide proposals that meet the criteria, or if they do not perform against delivery milestones, funds can be redistributed to jurisdictions that can deliver.

Will houses be located close to transport? Proposals from states and territories for new housing will need to identify their proximity to public transport, and this will be assessed in selecting the best proposals. On the funding split and regional or urban targets, there is not a target on this matter but we do want mixed urban-regional communities so we do not have high concentration. We do want to see a share of properties in areas of real need. To digress, personally I look at the circumstances of the north-west coast of Tasmania and I think—

Senator Abetz interjecting—
Senator SHERRY—Thank you, Senator. I think there is a need on the north-west coast, for example.

Senator Ronaldson—I don’t think he was suggesting that you were responsible for it, Nick!

Senator SHERRY—I will be paying it some attention. I have to put on the record, Senator Ronaldson, that my wife works for Housing Tasmania on the north-west coast of Tasmania so I do get more than passing information about local circumstances and what will happen. I might become one of the coordinators to make sure the money is being spent properly! I will get the inside information. But we do want to see a funding split between regional and urban areas. From a Tasmanian perspective, whilst the entire state of Tasmania is regional, I would be very keen to ensure the north-west and regions outside the south and Hobart receive an appropriate split of these moneys for targeting. The package is targeted to high-need clients. The states must identify in their proposals which dwellings are targeted at particular groups—such as people with disabilities and Indigenous people—and we had an earlier discussion about that.

Senator Siewert asked when the education entry payment supplement would be paid. Those eligible for the EdEP bonus will receive it when they receive their EdEP. If you have already received your EdEP, you will receive the supplement from 24 March 2009. Other people who commence study over the period up to 30 June 2010 will receive the $950 as they start their course, as well as the $208 education entry payment.

I think we are just about up to date on answers to questions so far. I have a couple of extra answers, and Senator Joyce may want to come back because they might be relevant. I will take just two minutes. When was the government first advised the budget was in deficit? The Treasury on 19 December provided advice to the Treasurer on updated economic forecasts and gave an informal indication of the implications for the budget. Following that there were informal discussions between the Prime Minister and the Treasurer about the government’s fiscal position and further work was requested of Treasury in advance of a briefing for the strategic policy and budget committee. The committee was briefed on the economic forecast and fiscal position on 19 January, at a meeting to discuss the further package of stimulus measures to be announced in February. Further Treasury work followed to ensure the fiscal position forecast was sufficiently robust to be released publicly. The digital proofs were returned to Treasury at 8.45 am on 2 February, Senator Abetz. I do not know whether that indicates the Treasurer was up all night through to 8.45 am. I suspect he was working a fair share of that time.

On the Newstart question from Senator Siewert. There is no available data to provide an estimate of the number of Newstart recipients who will receive the tax bonus. This is because they relate to individual circumstances at two different points in time. The tax bonus relating to net tax liability is for 2007-08 and receipt of Newstart allowance relates to a point now or in the future. For example, it is likely that many people who are on Newstart allowance now were employed during the course of 2007-08 and would therefore receive a tax bonus. For a person on Newstart allowance not to receive a tax bonus, they would need to have had no net tax liability in 2007-08.

Senator PARRY (Tasmania) (6.35 pm)—With only 15 minutes to go in this debate and in light of there being no amendments before the chamber, I move:

That the question be now put.
The TEMPORARY CHAIRMAN (Senator Crossin)—Senator Parry is moving closure of the debate under standing order 199. I need to ask you, Senator Parry, whether you have spoken in this debate, that is, the debate on the question that the bill stand as printed.

Senator PARRY—Madam Chair, I can confirm that I have not participated in the debate to date.

The TEMPORARY CHAIRMAN (Senator Crossin)—That being the case, my understanding is that that question is put forthwith without debate.

Question put:
That the question be now put.

The committee divided. [6.40 pm]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes.......... 30
Noes.......... 32
Majority....... 2

AYES

Abetz, E. Barnett, G.  
Bernardi, C. Birmingham, S.  
Boswell, R.L.D. Boyce, S.  
Brandis, G.H. Bushby, D.C.  
Cash, M.C. Coonan, H.L.  
Cormann, M.H.P. Eggleston, A.  
Ferguson, A.B. Fierravanti-Wells, C.  
Fifield, M.P. Fisher, M.J.  
Heffernan, W. Humphries, G.  
Johnston, D. Joyce, B.  
Kroger, H. Mason, B.J.  
Minchin, N.H. Nash, F.  
Parry, S. * Payne, M.A.  
Scullion, N.G. Troeth, J.M.  
Trood, R.B. Williams, J.R.

NOES

Arbib, M.V. Bilyk, C.L.  
Bishop, T.M. Brown, B.J.  
Cameron, D.N. Carr, K.J.  
Collins, J. Conroy, S.M.  
Crossin, P.M. Evans, C.V.  
Farrell, D.E. Feeney, D.  
Fielding, S. Forshaw, M.G.  
Furner, M.L. Hanson-Young, S.C.  
Hurley, A. Hutchins, S.P.  
Ludlam, S. Lundy, K.A.  
Marshall, G. McEwen, A.  
Milne, C. Moore, C.  
O’Brien, K.W.K. * Polley, H.  
Pratt, L.C. Siewert, R.  
Stephens, U. Sterle, G.  
Wortley, D. Xenophon, N.

* denotes teller

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

Question negatived.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (6.44 pm)—With the government’s prospective $125 billion shortfall in receipts that they have obviously used in the compilation of their requests for an extension of a $200 billion facility, do they believe at this point in time that the $125 billion shortfall is of a recurring nature and, if so, over what cycle would it be recurring? Also, what do they anticipate their peak debt position to be?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (6.45 pm)—With the government’s prospective $125 billion shortfall in receipts that they have obviously used in the compilation of their requests for an extension of a $200 billion facility, do they believe at this point in time that the $125 billion shortfall is of a recurring nature and, if so, over what cycle would it be recurring? Also, what do they anticipate their peak debt position to be?
occurring since the MYEFO at the end of last year. So we have seen effectively two significant revisions down, with that revision accelerating through to the announcement of the new figures.

The sharp decline in revenue from the 2008-09 budget of $115 billion has been as a consequence of the changed forecast with respect to economic growth, and that obviously impacts revenue. I do not have the figures for comparable countries but I do understand that this is occurring worldwide. I do not have the details to hand, but comparable countries are having to deal with a significant decline in the forecast revenues over their forward estimates periods, so we are not alone in this.

I certainly know that one important factor in the Updated Economic and Fiscal Outlook has been the weight of the gathering global recession. That weight, regrettably, has been gathering momentum, and not just in countries like Japan, the US, the UK and other major trading partners; it has moved into a country like China, which is a major trading partner of Australia’s. Key emerging economies such as China and India are now expected to slow markedly. Obviously, the global commodities boom has provided significant stimulus to Australian growth and incomes over recent years. There was some discussion earlier between Senator Abetz and me about the step-down approach that Treasury has taken in terms of forecasts of revenue and the mining boom. That certainly was not expected when the 2008-09 budget was handed down. So we have seen a very extraordinarily rapid change in revenue estimates downwards.

As I said earlier, I cannot recall a period in my lifetime, other than the oil crisis back in the early to mid-seventies, when economic circumstances have changed so rapidly across the globe. That clearly has a very significant impact on the fiscal balance. If you look at the estimated fiscal balance, say, in 2008-09 and updated in the UEFO, it is minus $22.4 billion, moving to $33.3 billion in 2009-10 and then dropping back to $21.5 billion and $23.9 billion. This does not account for all of that negative fiscal balance but it certainly accounts for a very substantial proportion of it.

Progress reported.

**DOCUMENTS**

The **ACTING DEPUTY PRESIDENT** (Senator Crossin)—Order! It being after 6.50 pm, the Senate will proceed to the consideration of government documents.

**Education, Employment and Workplace Relations Portfolio Supplementary Additional Estimates Statement**

Senator **ABETZ** (Tasmania) (6.52 pm)—I move:

That the Senate take note of the document.

I wish to make a few comments in relation to this document because the document specifically relates to the package that the Senate has just been debating, and in this particular department there are matters of great moment for us as a Senate and indeed for the Australian people to consider.

In relation to the employment aspect it should be remembered that this is the department that is able to advise us about employment and employment matters. When asked if there is a difference in terminology ‘creating’ about 75,000 additional jobs as opposed to ‘supporting’ up to 90,000 jobs the officials tell us that there is a significant difference.

Why do I raise those two terms? The reason I raise these two terms is this: for the government’s first stimulus package of $10.4 billion, which we supported because it was coming out of the surplus, there was a promise in the second reading speech—and I
know these words off by heart—that that stimulus package would ‘create’ about an additional 75,000 jobs. Now, with this additional estimate document, we are being told that a package four times the size—$42 billion—will ‘support’ up to 90,000 jobs.

The officials in Treasury told us that we should understand these two phrases as meaning the same thing. I still remember the official who told me that. So when we had the Department of Education, Employment and Workplace Relations before us I asked them if there was a difference between ‘creating’ a job and ‘supporting’ a job, and there are no surprises here. Like every other Australian, we were told that the meaning was completely different. Creating an additional job means there is something new. ‘Support’ means supporting something that already exists.

So what we have here, according to the experts in the employment department, is an indication that this is a government concerned with spin over substance. When we asked the officials, ‘Are there any jobs that can be pointed to as having been created as additional jobs as a result of the first stimulus package?’—and we were promised about 75,000—they could not point to one.

So for the next stimulus package we get rid of the word ‘create’, we get rid of the word ‘about’, we get rid of the word ‘additional’ and the weasel words that are employed now are ‘to support up to 90,000 jobs’. And of course if you say ‘about 75,000’, as they did with first package, it suggests that there might be a few less or a few more. But ‘up to 90,000’ suggests an absolute cut-off of 90,000, but it could include the number one, and that was not refuted.

So we have here a package being sold to the Australian people that will lumber them with a $200 billion debt overall—$9,500 per man, woman and child in this country. That $9,500 debt per man, woman and child in this country, plus interest, might possibly sustain—according to the advice—up to 90,000 jobs. Chances are it will support more than one, but if there is a range why weren’t we told what the lower range is—that it might be between 50,000 and 90,000? This is all about weasel words and it is all about spin. That is what concerns us.

We as a coalition are concerned as to how the government is going to bankrupt this nation and put it into great debt that will need to be paid by future generations. (Time expired)

Question agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

National Ovarian Cancer Awareness Month

Senator MOORE (Queensland) (6.58 pm)—As you know, this month is National Ovarian Cancer Awareness Month. It is not a day and it is not a week; this issue is so important that we have actually now got a national ovarian cancer month. The message of this month is to continue to raise awareness in our community—amongst women in particular, but more particularly, I think, with practitioners, with people who work in the medical field and with the wider community—about the horrors of ovarian cancer.

This chamber knows all too well about the issues concerned with ovarian cancer. You would be aware that two years ago we were privileged to have a report from the Community Affairs Committee that looked at the issues of gynaecological cancer in our community. We called that report Silent voices,
and now that has become a cry for all of us because we demand that the voices should no longer be silent. In fact, this is the theme of the national awareness month.

We as a community are saying that women need to take ownership of their own bodies. This came out particularly clearly at the launch in Melbourne on Sunday of National Ovarian Cancer Awareness Month where again, as always, we were privileged to hear from women who are working through their own journey with this condition with strength and courage and who were prepared to share that process with all of us so that we can learn from their knowledge and passion and the theme of stopping the silence can be carried across the wider community in Australia and internationally. Ovarian cancer is not an Australian issue but a global issue.

On Sunday, the awareness month was launched by the Minister for Health and Ageing, Ms Roxon, who came along and talked with great care and knowledge about these issues. Some of that is down to the work that women throughout the community have done to make sure that governments of all flavours and at all levels are aware of all these issues and act together to respond to the demand. Minister Roxon launched a new diary, which has been brought out by Ovarian Cancer Australia, called The Ovarian Cancer Symptom Diary. We have talked before in this place about the vagueness of the symptoms of ovarian cancer. I will not go through all of the symptoms. It is most important that people do not listen to me or to individuals taking about these issues but instead seek out the information themselves through the range of material that is available on websites, from the National Breast Cancer and Ovarian Cancer Centre, from Ovarian Cancer Australia and from various other groups. There is information out there from individuals about how they found out what was wrong with them.

We cannot sit back and wait for anybody else, even if they are a practitioner, to take ownership of knowledge about our own bodies. This tool, the first ever symptom diary, gives women that support, that practical aid. When the conditions are listed, a woman can take personal note of whether she has these symptoms. Then, from knowing her own body and by knowing the changes that are taking place in her own body and by asking for advice and support from other people through the websites, through support groups and most particularly through Ovarian Cancer Australia, if she believes that she has ovarian cancer, she can go with absolute confidence to her general practitioner and say: ‘This is what’s happening to my body. I want to know more.’ That is a message that comes out from National Ovarian Cancer Awareness Month. Another message is for women to take ownership of their own bodies—to explore, to question and to find out what is happening with their own body.

We heard statements at the launch on Sunday in Melbourne from a survivor who only last year thought that she was a fit and healthy woman. She talked about the fact that she was fit and healthy. She took us with her through the journey that she made last year—from the horror of the diagnosis, to the denial of the diagnosis, to the absolute need she had for support from her family, who were there with her all the way, and also the wonderful support, knowledge and professional expertise of the practitioners that we have in this country, of whom we should be most proud. We know how strong the knowledge bank is in this country. It goes through the whole range of practitioners. GPs now have their own information sheet, which was put out only last year by the National Breast Cancer and Ovarian Cancer Centre. That sheet contains tips for general
practitioners to make them more aware of this condition. It discusses what they can do with their women patients to raise awareness and how they can work through those vague symptoms to get to the next round of tests so as to be able to make the earliest possible diagnosis.

This cancer, like all cancers, has a greater rate of survival and effective treatment the earlier the initial diagnosis. That came through in the Senate Standing Committee on Community Affairs report on this issue. With ovarian cancer and other gynaecological cancers, women, their families and their doctors are tremendously worried that by the time they reach a diagnosis the condition will have moved through to a quite late stage and that at that time their chances of effective treatment and survival are much lower. This has been a major concern in our country in tracing ovarian cancer. It is estimated that around 1,500 Australian women will be diagnosed with ovarian cancer this year. More than 850 of those women will not survive a reasonable time after their diagnosis. The key issue is the time of the diagnosis.

That is why we need to have an awareness month and a special day, which this year will be 23 February. All of our offices will be inundated with teal ribbons. I do not know the reason for teal, but it is a colour that stands out. That will be the colour that we will be asking people across the community to wear to raise awareness. We need every woman to get this message so that they make an effort to ask questions about their own bodies, to use tools such as this symptom diary, to go to their GP and work with them and to draw their attention, if necessary, to the kinds of tools that are available now.

We need women to say, as Senator Jeannie Ferris, whom we knew and miss, was able to say, ‘Take the action, because I am important enough to deserve it.’ That is the key message. We need women to say: ‘My body is my responsibility and it’s up to me to seek out the treatment and to ensure that no-one dismisses my symptoms and tells me I should just lie down and rest.’ They need to have the evidence in their hands through things such as the symptom diary and through the information that is available on the websites. We need women to say: ‘I want to have the tests that are available. I want to access the ultrasound services that are available across this country.’ As I have said before in this place, when the diagnosis is made, they need to say, ‘I want to be part of a clinical trial.’ Consistently, the evidence and all the information that we have is that the real value of knowledge comes through clinical trials. I again ask that we ensure that clinical trials across our country are well resourced and funded and that their importance is acknowledged so that women have the best possible chance of an early diagnosis and good treatment. We have that ability through our science and our research.

I really need to put on record again my intense admiration and respect for the practitioners we have in this country. But we need women to demand their own rights. The clinical trial that is being done through the Peter MacCallum Cancer Centre in association with the Queensland Institute of Medical Research is currently funded—I really enjoy this particular process—by the American Department of Defense. I am not sure why, but I deeply thank them for their funding. On behalf of women across the world, I congratulate them for helping this wide clinical trial develop knowledge that can be used by our researchers to discover an effective cure for this horrible condition.

We will be celebrating National Ovarian Cancer Awareness Month here on 23 February. I ask the community to be part of that. I say to them: during this month, get to know more about your own body so that you can
be healthy and knowledgeable and can take ownership.

**Victorian Bushfires**

**Senator McGauran** (Victoria) (7.08 pm)—I rise as a Victorian senator to add my support to the Senate condolence motion on the devastating effects to date of the Victorian bushfires over the weekend. The state and the Senate are grieving the loss of over 180 lives, and we know that the death toll continues to rise. On Sunday, we awoke to the front page news that the toll was 14, and that was a shock. But the real shock was to come. The fact that these lives were lost essentially within 24 hours adds to the bewilderment. While the damage to property now seems secondary, over 800 homes have been burnt to the ground. My colleague Scott Ryan, who is in the chamber with me, put the matter in perspective this afternoon when he said that he never thought that he could hear such good news from a friend when he told him their family had lost everything but their lives.

There has been the obliteration of towns like Marysville and Kinglake. The homes did not so much burn down as explode because of the sheer heat. If you look at the pictures, you see these homes are completely flattened. Adding to our bewilderment is the chilling story in today’s *Australian* newspaper about the last fire truck to leave Marysville before the township was consumed. It was a picture the firefighters will no doubt never get out of their minds as people ran to the truck thumping on its sides. The experts and even the most seasoned firefighters were shocked by the sheer speed of the occurrence. The devastation happened so quickly. The film footage was breathtaking as lips of fire moved as fast as bullets across the ground. I have seen grass fires speed across paddocks, but I have never seen anything like this. The emotion of anger will follow now that we know many of the fires were deliberately lit. These arsonists have caused these deaths and they are terrorists.

While country towns are no strangers to bushfires, and live through the summer on watch for outbreaks, this is an unprecedented event in our history. It was beyond the people’s ability to fight, no matter how prepared they were. The member for Gippsland made a point in his address this afternoon that is worthy to note—that is, we need a more heightened early warning system for days such as last Saturday, because these days are beyond even the most prepared and fully alerted CFA to tackle. We need to have degrees of alertness, not dissimilar to the terrorist alerts that we have, with days like last Saturday at the top of the list. These alerts would denote days when it is almost impossible to fight these fires—in short, get-out days.

Past events like the 1939 Black Friday fires and the 1983 Ash Wednesday fires have entered our Australian lexicon. We now witness Australia’s worst natural disaster, worse than Black Friday and Ash Wednesday—Black Saturday. The lives lost are unprecedented outside war. While that is the tangible measure of the Victorian bushfires, the emotion is almost inexpressible. Speakers in the Senate and the House have grappled with trying to explain it, as of course have those at the fire-front. They have spoken of the human fear of seeing the fire roll over the hills and catch people totally unaware; the thunderous noise that preceded it, which seems to be the single greatest impact upon the survivors; and the sheer heat that melted steel and sucked the oxygen out of the air; the horror of thinking of those trapped and, equally, awaiting news of those families and friends that were missing; the shock of learning that family and friends had died; and the sheer jubilation, as expressed by colleagues in both the Senate and the other chamber, on hearing
of people who had survived. These are the inexpressible emotions all rolled into one.

I was in Whittlesea on Saturday morning just as the fires were breaking but, like everyone, I was unsuspecting of the devastation that lay ahead. But it was obvious in Whittlesea that Saturday morning that there was great menace in the air. You could feel it and almost touch it, and it turned out to be so. The property I was visiting was burnt out but home and life were not. The owners consider themselves greatly fortunate.

My home district of Gippsland has not escaped the tragedy of death by fire. In fact, the district has been ablaze for several weeks now. Boolarra and the surrounding districts made the news a few weeks ago but, thankfully, no lives were lost. But this time over the weekend the Churchill district and Callignee hills were ablaze, and lives tragically have been lost. There are a lot of farmers in the Callignee hills, people I would describe as salt of the earth, who have been doing it hard and who now must face the almost impossible challenge of starting again. Again, the member for Gippsland addressed the other chamber today. He has spent several days visiting the affected areas, and he has captured the events and feelings very well.

Like my fellow senators, I pay tribute to the Country Fire Authority. ‘Thank you’ seems almost trite, given the magnitude of their tireless efforts to help other human beings. The CFA, as my colleagues know only too well, are such a big part of the country communities. The CFA grew out of the 1939 fires, when it was recommended that what was needed was on-the-ground volunteer firefighters who knew their district. The CFA have grown to the extent that they are not just heroes of fire fighting but very much a part of every level of the local community. So, when the reviews of this disaster are undertaken, they must include a recommendation of greater resources, funding, help and support for the CFA. Without the CFA at full strength, where would we be? And then of course there is the Red Cross, the Salvos and all the other charity organisations that have been with us for decades and even centuries. To all the community organisations and helpers who are manning the halls and caring for the thousands of shell-shocked evacuees, please accept my thanks and the thanks and gratitude of this chamber.

Australia is the envy of the world in terms of its volunteer networks and organisations. We are not only the envy of the world; we are the model for the world. No country has more voluntary organisations at different community levels than Australia. With regard to our volunteers, we have much to be proud of and grateful for. Where would we be without all these volunteer organisations, particularly in the rural and regional areas? They make up the very fabric of a district. Again, any review undertaken must include fully funded support and help for the voluntary agencies. To the hospitals, the burns units, thank you for your professionalism. To the patients in the burns units, we wish you well. We pray for your strength and grace at this time.

It is a very rare occurrence when the parliament suspends business for a day, but it is fitting to do so. Equally, it is fitting for the parliament to unanimously support the motion of condolence and the government’s efforts to help and send long-term aid to the victims. I thank the Senate.

**Victorian Bushfires**

**Senator BOYCE** (Queensland) (7.18 pm)—I too would like to add a few comments to those made by the Victorian parliamentarians and our leaders on the condolence motion for the Victorian bushfire victims. I was recently musing with some English friends about the extraordinary mobility
of Australians. Unlike the English, who it seems are still wont to not move too far from the village they were born in, Australians are just as likely to move across a continent— their own or someone else’s—as they are to move to the next village or township. I think this mobility has been shown to be a great part of our strength at times of crisis like this. Like me, thousands of Queenslanders have lived a part of their lives in the fire devastated parts of Victoria. Equally, there are many Victorians who have lived, worked and holidayed in the flood devastated areas of North Queensland, not just on the eastern coast but inland and in the gulf as well. Unless you are there—inundated with water in the north or threatened by fire or worse in the south—you cannot really know what it is like. But you can empathise, especially if you can bring to mind the same countryside in better times.

Three days ago I wrote: ‘By the time these bushfires are over, I imagine that almost everyone in Victoria and many people throughout Australia will have been touched.’ Three days ago that was likely; unfortunately, it is now a banal truism. The scale is far worse than any of us could have imagined. To make sense of it, we need to focus on the individuals affected. Even in flood devastated North Queensland, especially in Ingham, there are people who are more worried about family and friends in the south than about themselves.

I spent 23 years of my life based in Victoria, before returning to my native Queensland in 1994. In the 1980s and 1990s I lived just outside Whittlesea. My children went to school at Whittlesea and Kilmore, and we ran cattle at Murrindindi, so I know much of the area destroyed by fire very well. In summer the grass around the Whittlesea area takes on a particularly wonderful golden wheat colour, a colour I have not seen anywhere else. But, beautiful as it is, this wheaten colour masks a dangerous dryness that causes many minor, and some major, fires every year. The people of Whittlesea, Kinglake, Kilmore and all the surrounding areas live with the threat of fire every summer. Maintaining and testing the pumps and other firefighting gear is just a normal part of the rhythm of life in this part of the world. But this time the fire was, in many cases, too great.

Like so many others, I have waited while family and friends have waited to hear about their loved ones. So far, the news has been relatively good for us. Houses, cars and livelihoods have been destroyed, but the people we know are okay. I acknowledge the many people whose family members are not okay, the 181 killed, the many injured and hospitalised and the many who are still missing. As I said, the people I know are okay, including the father of my daughter’s partner, Peter Rowe, from Hazeldene, near Flowerdale. For well over 24 hours, his sons knew that his house was destroyed, that all the houses in his street were destroyed and that all the houses in the local area were destroyed, but they did not know their father’s whereabouts. They were delighted when they finally heard from him on Monday morning.

Murrindindi, so often referred to today in the news in conjunction with Yea as one of the most worrying fire fronts, means ‘place of mists and mountains’. It is a perfect name for a beautiful and wild part of the state, but again there is a downside to that beauty when fire strikes. The valleys around Murrindindi are full of surprising twists and turns. It is easy to become disoriented, even in good weather. Nearby Toolangi is best known as the home of the late CJ Dennis, author of The Songs of a Sentimental Bloke. His home is or was—I do not currently know whether it still stands—a very genteel and surprisingly middle-class place for the man
who promoted himself as Australia’s No. 1 larrikin.

Two people who work for my family’s company have also been touched: Craig Penna and his family at Whittlesea, for whom the danger now seems to have passed; and Neville Roberts and his family at Yea. At last report today, Neville was preparing, along with firefighting volunteers from Tasmania and New South Wales and ADF volunteers with bulldozers and generators, to defend his home and the township of Yea. The equipment and the numbers of people that were there to help were very reassuring, but that was not the case last Saturday.

Probably the story that for me best illustrates the unexpected ferocity of these fires is that of Kinglake park ranger Natalie Brida. Natalie was raised in Whittlesea. Her family were our neighbours and friends. Natalie is to be my daughter’s bridesmaid in April. Up until last Saturday, she owned a home and a car at Kinglake, just 200 metres from the national park where she worked. On Saturday afternoon Natalie and seven other park rangers were trying to save the park compound, their machinery depot, the visitors centre and other buildings and equipment. The fire was such that late in the afternoon the decision was taken to evacuate from the compound to Kinglake. Remember that these are experienced firefighters who had decided they could not stay and fight.

Natalie recalled to her father that the tyres of the park’s Range Rover were burning as she drove. As the convoy drove, it became clear that they were unlikely to make it to Kinglake. They pulled up in a bare paddock, pulled the cars into a triangle, dug a ditch and covered themselves with blankets. They waited like that for more than an hour for the firestorm to pass. In the interim, most of them lost their homes, and all of them lost their cars. Since then, they have returned to what passes for normal duties for park rangers at the moment—every day going to fight the fires.

If this was the experience of eight experienced park rangers and firefighters, many of them also locals of long standing, how much more difficult must the situation have been for those with less experience and less local knowledge. It is something that we here can only imagine, but imagine it I think we must. I cannot find the words to pay sufficient tribute to the firefighters and the many other workers and volunteers who have helped each other and the people of Victoria in the past few days. Unfortunately, their work will need to continue for a while yet.

I would like to finish by adding that I am aware there have been some criticisms of Centrelink which the government has moved to quickly fix. But I hope that we will have no reason to have similar criticisms of insurance companies, in relation to either the Victorian bushfires or the Queensland floods. I am heartened, and I was somewhat surprised, by the very responsive and prompt service that I received recently from an insurance company in relation to damage caused by the severe storm in Brisbane just a few months ago. I fervently hope that that prompt, responsive, caring service will be the experience of all Victorians and all Queenslanders who need that assistance now. I would like to join the Governor-General, Ms Quentin Bryce, and others in encouraging all of us to do everything that we can to help in Victoria and in Queensland.

Senate adjourned at 7.27 pm

DOCUMENTS

Departmental and Agency Contracts

The following document was tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2008—Letter of advice—Broadband,
Communications and the Digital Economy portfolio.

**Departmental and Agency Grants**

The following document was tabled pursuant to the order of the Senate of 24 June 2008:

Departmental and agency grants—
Additional estimates—Letter of advice—
National Health and Medical Research Council.

**Tabling**

The following document was tabled pursuant to the order of the Senate of 25 March 1999, as amended on 18 September 2002:

Australian Competition and Consumer Commission—Report to the Australian Senate on anti-competitive and other practices by health funds and providers in relation to private health insurance for the period 1 July 2007 to 30 June 2008.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Health and Ageing: Departmental Staff
(Question Nos 625, 648 and 650)

Senator Minchin asked the Minister representing the Minister for Health and Ageing, upon notice, on 25 August 2008:

(1) How many departmental officers are working in the office of the Minister/Parliamentary Secretary.
(2) How many of these staff are Departmental Liaison Officers.
(3) How many departmental officers, on secondment from the department, are in the office of the Minister/Parliamentary Secretary in personal staff positions.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) As at and including 27 August 2008, departmental staff working in the offices of the Ministers for Health and Ageing, Ageing and Sport, and the Parliamentary Secretary numbered nine. Three of these staff were participants in the department’s Graduate Program on a four month rotation.
(2) Five.
(3) As at 27 August 2008 there was one departmental officer on secondment.

Beijing Olympic Games
(Question No. 662)

Senator Minchin asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 25 August 2008:

(1) Did the Minister or Parliamentary Secretary within the Minister’s portfolio attend any event at the Beijing Olympic Games; if so, which events did the Minister/Parliamentary Secretary attend.
(2) Was the Minister/Parliamentary Secretary accompanied by: (a) family; (b) personal staff; and (c) departmental officials; if so, how many.
(3) Did any officials from the department attend the Beijing Olympic Games in their capacity as an employee of the Australian Government; if so, how many and in what capacity did they attend.
(4) In regard to the attendance by the Minister/Parliamentary Secretary and/or departmental officials at the Beijing Olympic Games, what was the total cost of: (a) travel; (b) accommodation; and (c) any other expenses.

Senator Chris Evans—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

Senator Minchin the answer to your question concerning Ministerial attendance at the Beijing Olympic Games is a nil response. There was no attendance at these games by the Ministers or the Parliamentary Secretary for Families, Housing, Community Services and Indigenous Affairs.

Beijing Olympic Games
(Question No. 677)

Senator Minchin asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 25 August 2008:
(1) Did the Minister or Parliamentary Secretary within the Minister’s portfolio attend any event at the Beijing Olympic Games; if so, which events did the Minister/Parliamentary Secretary attend.

(2) Was the Minister/Parliamentary Secretary accompanied by: (a) family; (b) personal staff; and (c) departmental officials; if so, how many.

(3) Did any officials from the department attend the Beijing Olympic Games in their capacity as an employee of the Australian Government; if so, how many and in what capacity did they attend.

(4) In regard to the attendance by the Minister/Parliamentary Secretary and/or departmental officials at the Beijing Olympic Games, what was the total cost of: (a) travel; (b) accommodation; and (c) any other expenses.

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

(1) and (3) No

(2) and (4) please see response to question 713

Beijing Olympic Games
(Question Nos 678 and 679)

Senator Minchin asked the Minister representing the Minister for Housing and the Minister representing the Minister for the Status of Women, upon notice, on 25 August 2008:

(1) Did the Minister or Parliamentary Secretary within the Minister’s portfolio attend any event at the Beijing Olympic Games; if so, which events did the Minister/Parliamentary Secretary attend.

(2) Was the Minister/Parliamentary Secretary accompanied by: (a) family; (b) personal staff; and (c) departmental officials; if so, how many.

(3) Did any officials from the department attend the Beijing Olympic Games in their capacity as an employee of the Australian Government; if so, how many and in what capacity did they attend.

(4) In regard to the attendance by the Minister/Parliamentary Secretary and/or departmental officials at the Beijing Olympic Games, what was the total cost of: (a) travel; (b) accommodation; and (c) any other expenses.

Senator Minchin the answer to your question concerning Ministerial attendance at the Beijing Olympic Games is a nil response. There was no attendance at these games by the Ministers or the Parliamentary Secretary for Families, Housing, Community Services and Indigenous Affairs.

Senator Minchin asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 25 August 2008:

Did the Minister or Parliamentary Secretary within the Minister’s portfolio travel overseas during July or August 2008; if so:

(1) Where did the Minister/Parliamentary Secretary travel.

(2) What was the duration of the travel.

(3) What was the purpose of the travel.

(4) For each country visited, what was the total cost to the taxpayer of: (a) travel; (b) accommodation; and (c) any other expenses.
(5) How many personal staff accompanied the Minister/Parliamentary Secretary.

(6) How many family members accompanied the Minister/Parliamentary Secretary.

(7) In regard to staff and family accompanying the Minister/Parliamentary Secretary, what was the total cost of: (a) travel; (b) accommodation; and (c) any other expenses.

(8) (a) How many departmental officers accompanied the Minister/Parliamentary Secretary; and (b) what was the total cost of their: (i) travel, (ii) accommodation, and (iii) any other expenses.

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

No.

Forestry: Carbon Pollution
(Question No. 773)

Senator Milne asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 7 November 2008:

(1) Has the department [Department of Agriculture Fisheries and Forestry] or any of its agencies carried out work since 2004 on the: (a) carbon sequestration potential of Kyoto-compliant plantations or native forest restoration; (b) effect of emissions trading (or a carbon tax) on existing Kyoto-compliant plantations, in respect of rotation lengths and their use for wood production; (c) relationship between carbon price and the rate and extent of plantation establishment and native forest restoration if these activities are included in the Government’s Carbon Pollution Reduction Scheme; (d) impact of tax deductions for carbon sinks and/or managed investment schemes on the rate and extent of plantation establishment and native forest restoration; and (e) impact on wood production from native forests as a result of including Kyoto-compliant plantations in the Carbon Pollution Reduction Scheme.

(2) (a) Can a list be provided of all projects, consultancies, publications or other work relating to question (1) above, giving the title, authors, date, cost (if a consultancy) and a brief summary; and (b) can a copy of each report, publication or document be provided?

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

Since 2004 the Department of Agriculture Fisheries & Forestry (the department), the Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Rural Sciences (BRS) have published reports and provided advice to the Minister for Agriculture, Fisheries and Forestry (the Minister) in relation to the establishment of plantation forestry and carbon sinks. The department and bureaux have also provided advice to the Treasury and the Department of Climate Change (DCC), the agencies coordinating government policy development relating to the Carbon Pollution Reduction Scheme (CPRS) and the taxation treatment of plantation forestry.

(1) (a) The department, ABARE and BRS have not specifically examined the carbon sequestration potential of Kyoto-compliant plantations or native forest restoration. DCC is responsible for calculating the carbon sequestration potential of Kyoto-compliant forests for Australia’s National Greenhouse Gas Inventory reports. BRS has provided forest plantation statistics to help DCC to calculate these potentials.

(b) The department administered $55 000 for an Australian Plantation Products & Paper Industry Council project entitled Scoping study: managing plantation forests for timber and carbon funded under the National Agriculture and Climate Change Action Plan Implementation Program which examined this issue. The scoping study revealed a carbon price alone may be an insufficient incentive for further investment in long rotation plantations and would not change
the balance of long and short rotation investments. The report published from this work is provided in Attachment 773a.

ABARE and BRS have not specifically examined the effect of an emissions trading scheme or a carbon tax on the rotation lengths or use for wood production of Kyoto compliant plantations.

(c) ABARE has provided estimates of plantation establishment to the Treasury as part of its analysis of the CPRS. BRS has provided data, information and advice about afforestation to ABARE and the Treasury to assist with modelling of land use changes under four CPRS scenarios. The report published from this work is provided in Attachment 773b.

ABARE and BRS have not specifically examined the impact of the CPRS on native forest restoration.

(d) Since 2004 the department has on numerous occasions provided advice to the Minister on managed investment schemes (MIS) and other issues affecting plantation establishment. In particular, the department in conjunction with the Treasury, undertook considerable work as part of the review of taxation of plantation forestry.

ABARE and BRS have also provided ad-hoc advice to the department on MIS related issues. In 2005, the department asked ABARE and BRS to provide advice for use in the Australian Government’s review of taxation treatment of plantation forestry. The report released to the department by BRS in 2005 is provided in Attachment 773c. The report contained chapters on the level of investment in MIS plantations; the socio-economic impacts of these investments; an overview of the costs of establishment and governance of these MIS plantations; and a comparison of international plantation policies.

ABARE has provided advice to DCC on carbon price thresholds for environmental plantings as part of its analysis to amend Division 40 of the Income Tax Assessment Act 1997. ABARE and BRS have not directly addressed the question of the impacts of tax deductions on carbon sinks on the rate and extent of plantation establishment and native forest restoration.

(e) The department, ABARE and BRS have not examined the impact on wood production from native forests of including Kyoto-compliant plantations in the CPRS, while noting that sustainable native forest management is governed by a range of state and commonwealth regulatory structures.

(2) (a) The four reports referred to in question 1 are:

ABARE 2008, Estimated threshold carbon prices for investment in carbon sink forests

(1) ABARE report for the Department of Climate Change, Canberra, August.

This report was prepared by the Climate Change and Environment Branch of ABARE as a consultancy report for the Department of Climate Change. A summary of the work produced by ABARE is included in the Department of Climate Change’s submission to the Rural and Regional Affairs and Transport Committee website: http://www.aph.gov.au/Senate/committee/rrat_ctte/carbon_sink/submissions/sub45.pdf

A copy of the report that was presented to the Department of Climate Change is provided in Attachment 773d.

The cost of preparing this report was $15 000.


Lawson et al. (2008) was completed for the Treasury as input into their analysis on the CPRS. A copy of this report is provided in Attachment 773b.
The total cost of preparing this report was $51,000. Included in the total cost was $10,000 received by BRS for the provision of data.

(3) Parsons, M, Schirmer, J, Gavran, M and Burns, K. 2005, Plantation managed investment schemes - assessment of economic and social effects, report to the Department of Agriculture, Fisheries and Forestry, Canberra, December.

This report was advice for DAFF to use in the Australian government’s review of taxation treatment of plantation forestry. A copy of this report is provided in Attachment 773c.


This report was prepared by the Australian Plantation Products & Paper Industry Council (A3P) as a project funded under the National and Agriculture Climate Change Action Plan Implementation Program. A copy of this report is provided in Attachment 773a.

The cost of this project and report was $55,000.

(b) The department, ABARE and BRS have attached four reports. These reports are:

Attachment 773a: Australian Plantation Products & Paper Industry Council (2008)—Scoping study: Managing plantation forests for timber and carbon,

Attachment 773b: Lawson et al. (2008)—Analysing the economic potential of forestry for carbon sequestration under alternative carbon price paths

Attachment 773c: Parsons et al. (2005)—Plantation managed investment schemes - assessment of economic and social effects

Attachment 773d: ABARE (2008)—Estimated threshold carbon prices for investment in carbon sink forests

(Copies of the reports are available from the Senate Table Office)

Resources, Energy and Tourism: Program Funding

(Question Nos 894 and 895)

Senator Ronaldson asked the Minister representing the Minister for Resources and Energy and the Minister representing the Minister for Tourism, upon notice, on 24 November 2008:

For the 2008 calendar year, can lists be provided for: (a) the department’s and (b) the department’s top 5 program underspends and their costs.

Senator Carr—The Minister for Resources and Energy and the Minister for Tourism has provided the following answer to the honourable senator’s question:

The Department of Resources, Energy and Tourism’s programs with accrual overspends are:

January - December 2008

<table>
<thead>
<tr>
<th>Program Overspends</th>
<th>Actual Expenditure Calendar Year 2008 '000</th>
<th>Budgeted Expenditure Calendar Year 2008 '000</th>
<th>Variance Calendar Year 2008 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore Petroleum Royalties</td>
<td>1,013,651</td>
<td>903,198</td>
<td>(110,453)</td>
</tr>
<tr>
<td>Other Administered - RET</td>
<td>157,581</td>
<td>162,418</td>
<td>(9,163)</td>
</tr>
<tr>
<td>Ethanol Production Subsidy</td>
<td>67,158</td>
<td>65,601</td>
<td>(1,557)</td>
</tr>
<tr>
<td>Snowy Hydro Ltd - company tax compensation Capital</td>
<td>36,565</td>
<td>35,961</td>
<td>(604)</td>
</tr>
</tbody>
</table>
The top five accrual underspends are:

### January - December 2008

<table>
<thead>
<tr>
<th>Program Underspends</th>
<th>Actual Expenditure Calendar Year 2008 '000</th>
<th>Budgeted Expenditure Calendar Year 2008 '000</th>
<th>Variance Calendar Year 2008 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific Partnership on Clean Development and Climate</td>
<td>21,091</td>
<td>40,499</td>
<td>19,408</td>
</tr>
<tr>
<td>Low Emissions Technology Demonstration Fund (RET) - Administered</td>
<td>1,000</td>
<td>15,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Advanced Electricity Storage Technologies</td>
<td>4,780</td>
<td>9,766</td>
<td>4,986</td>
</tr>
<tr>
<td>Radio Active Waste Management</td>
<td>1,400</td>
<td>5,547</td>
<td>4,147</td>
</tr>
<tr>
<td>Other Departmental - RET</td>
<td>76,533</td>
<td>78,501</td>
<td>1,968</td>
</tr>
</tbody>
</table>

1. Variances in brackets are overspends, variances without brackets are underspends.
2. Amounts are rounded to the nearest thousand.

### Health and Ageing: Program Funding

(Question Nos 1098, 1121 and 1123)

Senator Abetz asked the Minister representing the Minister for Health and Ageing, 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 the 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 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 Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

1. Spending proposals must satisfy all the requirements of the Financial Management and Accountability Act 1997 (FMA Act) and its’ regulations, including obtaining Regulation 10 approval where required, prior to commitment.

Attachment A lists the number and amount of all spending proposals approved under Regulation 10 of the Financial Management and Accountability Act 1997 for the period 1 December 2007 to 30 June 2008.

2. Departmental funding is allocated on the basis of need and the Government does not try to allocate funding from particular sources to particular programs.

Attachment B provides the estimated and actual depreciation expense and asset purchase amount for each agency within the portfolio for the 2007-08 financial year.
ATTACHMENT A

Amounts Approved Under Regulation 10 of the FMA Act for 1 December 2007 to 30 June 2008

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number of Approvals at Agency Level</th>
<th>Amount Approved at Agency Level $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health and Ageing</td>
<td>291</td>
<td>2,613,945</td>
</tr>
<tr>
<td>Australian Radiation Protection and Nuclear Safety Agency</td>
<td>1</td>
<td>662</td>
</tr>
<tr>
<td>Australia Sports Anti Doping Agency</td>
<td>6</td>
<td>945</td>
</tr>
<tr>
<td>Cancer Australia</td>
<td>14</td>
<td>39,757</td>
</tr>
<tr>
<td>National Blood Authority</td>
<td>1</td>
<td>1,309</td>
</tr>
<tr>
<td>National Health and Medical Research Council</td>
<td>21</td>
<td>46,599</td>
</tr>
</tbody>
</table>

There were no amounts approved by the Minister for Finance and Deregulation.

The Private Health Insurance Ombudsman and the Professional Service Review did not approve any amounts under regulation 10 of the FMA Act during the period in question.

ATTACHMENT B

The following table lists the departmental depreciation and amortisation estimate for 2007-08, depreciation and amortisation amount incurred in 2007-08 and expenditure in 2007-08 for the purchase of assets.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Depreciation Funding Available $'000</th>
<th>Depreciation Funding Used $'000</th>
<th>Expenditure on Assets $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health and Ageing</td>
<td>17,746</td>
<td>17,660</td>
<td>20,895</td>
</tr>
<tr>
<td>Aged Care Standards and Accreditation Agency Ltd</td>
<td>838</td>
<td>540</td>
<td>2,872</td>
</tr>
<tr>
<td>Australian Institute of Health and Welfare</td>
<td>600</td>
<td>569</td>
<td>704</td>
</tr>
<tr>
<td>Australian Radiation Protection and Nuclear Safety Agency</td>
<td>2,192</td>
<td>1,196</td>
<td>2,435</td>
</tr>
<tr>
<td>Australia Sports Anti Doping Agency</td>
<td>554</td>
<td>590</td>
<td>2,732</td>
</tr>
<tr>
<td>Australian Sports Commission</td>
<td>13,892</td>
<td>14,276</td>
<td>13,461</td>
</tr>
<tr>
<td>Cancer Australia</td>
<td>221</td>
<td>152</td>
<td>220</td>
</tr>
<tr>
<td>Food Standards Australia New Zealand</td>
<td>240</td>
<td>249</td>
<td>514</td>
</tr>
<tr>
<td>General Practice Education and Training Ltd</td>
<td>400</td>
<td>514</td>
<td>11</td>
</tr>
<tr>
<td>National Blood Authority</td>
<td>840</td>
<td>554</td>
<td>1,725</td>
</tr>
<tr>
<td>National Health and Medical Research Council</td>
<td>530</td>
<td>417</td>
<td>1,972</td>
</tr>
<tr>
<td>Private Health Insurance Administration Council</td>
<td>141</td>
<td>145</td>
<td>219</td>
</tr>
<tr>
<td>Private Health Insurance Ombudsman</td>
<td>158</td>
<td>152</td>
<td>197</td>
</tr>
<tr>
<td>Professional Services Review</td>
<td>273</td>
<td>293</td>
<td>201</td>
</tr>
</tbody>
</table>
Depreciation funding available is the amount of depreciation and amortisation expenses in 2007-08 listed in the departmental income statement of the Portfolio Budget Statements 2008-09. Depreciation funding used is the amount of depreciation and amortisation expenses in the agency annual reports for 2007-08. Expenditure on assets is the amount of cash used for the purchase of property, plant and equipment and intangibles in agency annual reports for 2007-08.

**FarmReady Industry Grants**

*(Question No. 1200)*

**Senator Cormann** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 19 December 2008:

With reference to advertisements appearing in rural print media for the farm ready reimbursement grants providing $130 million over 4 years to primary producers and indigenous land managers to attend approved courses to help them adapt and respond to the impacts of climate change:

1. Why is a distinction drawn in the grants between primary producers and indigenous land managers.
2. Are non-indigenous land managers eligible for these grants if they are not primary producers.
3. How is the $130 million allocated between primary producers and indigenous land managers.
4. (a) what criteria will be used to assess particular projects as worthy of a grant; and (b) will the same criteria be used to assess projects undertaken by primary producers and indigenous land managers.

**Senator Sherry**—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

*Australia’s Farming Future* is the Australian Government’s climate change initiative for primary industries. It provides $130 million over four years to help primary producers adapt and respond to climate change.

As part of this initiative, the FarmReady program will provide $26.5 million in funding through two program components - the FarmReady Reimbursement Grants and the FarmReady Industry Grants.

FarmReady Industry Grants provide funding of up to $80,000 for eligible groups to undertake projects that will help their members adapt to climate change. Eligible groups for these grants are defined as:

- A group of primary producers that forms specifically to undertake an eligible project.
- An established primary producer industry organisation/group at the local, regional or national level.
- A natural resource management group at either a local, regional or national level.

The FarmReady Reimbursement Grants will assist primary producers and Indigenous land managers to attend approved training courses. Eligible participants can receive up to $1500 each financial year to cover the cost of approved training activities, with additional support available for associated expenses such as excess travel, accommodation and childcare.

1. The specific reference to Indigenous land managers as eligible groups for the FarmReady Reimbursement Grants recognises that due to unique land ownership and management arrangements in place for some Indigenous groups, the definition of ‘primary producer’ may not fully capture the intended audience for the grants.
2. Non-Indigenous land managers with a management role in a primary production business are eligible for funding under the FarmReady Reimbursement Grants.
(3) There is no specified allocation of funding between primary producers and Indigenous land managers.

(4) (a) The FarmReady Reimbursement Grants do not provide funding for specific projects. Rather, reimbursement is provided to assist with the cost of attending approved training. To be eligible, participants must be a primary producer or an Indigenous land manager, and must complete a training course that has been registered with the FarmReady program. All applicants meeting the eligibility criteria for the FarmReady Reimbursement Grants will be able to claim up to $1500 each financial year for reimbursement of the costs of attending eligible training courses.

(b) The same courses and eligibility criteria will apply to both primary producers and Indigenous land managers.

Innovation, Industry, Science and Research: Program Underspends
(Question No. 1220)

Senator Abetz asked the Minister for Innovation, Industry, Science and Research, upon notice, on 16 January 2009:

Further to the answer to question SI-10 taken on notice during the 2008-09 supplementary Budget estimates hearings of the Economics Committee:

(1) Can a list be provided of all programs which had underspends in the 2007-08 financial year, including for each program: (a) its total budget; and (b) its total underspend.

(2) (a) Which program requested a roll-over of its underspend; (b) how much was requested be rolled-over; and (c) what was the outcome of this request.

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

(1) (a) and (b) For 2007-08, the programs in my department which had an underspend compared to their estimated actual as disclosed in the Portfolio Budget Statements 2008-09 are as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>Estimated Actual $’000</th>
<th>Underspends $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Ready</td>
<td>210,230</td>
<td>(24,274)</td>
</tr>
<tr>
<td>Textile Clothing &amp; Footwear - Structural Adjustment Program</td>
<td>8,333</td>
<td>(6,026)</td>
</tr>
<tr>
<td>Enterprise Connect Innovation Centres</td>
<td>5,310</td>
<td>(2,550)</td>
</tr>
<tr>
<td>Industry Cooperative Innovation Program</td>
<td>5,845</td>
<td>(1,319)</td>
</tr>
<tr>
<td>Intermediary Access Program</td>
<td>2,951</td>
<td>(1,102)</td>
</tr>
<tr>
<td>Small Scale Mammalian Cell Production Facility</td>
<td>1,000</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Australian Industry Productivity Centres</td>
<td>910</td>
<td>(910)</td>
</tr>
<tr>
<td>Building Entrepreneurship in Small Business</td>
<td>14,115</td>
<td>(688)</td>
</tr>
<tr>
<td>Textile Clothing &amp; Footwear Industries (Post 2005)</td>
<td>100,340</td>
<td>(641)</td>
</tr>
<tr>
<td>Science Connections</td>
<td>1,764</td>
<td>(317)</td>
</tr>
<tr>
<td>National Research Collaboration &amp; Infrastructure Strategy</td>
<td>96,860</td>
<td>(314)</td>
</tr>
<tr>
<td>Cooperative Research Centres</td>
<td>126,755</td>
<td>(121)</td>
</tr>
<tr>
<td>Building on IT Strengths</td>
<td>1,771</td>
<td>(100)</td>
</tr>
<tr>
<td>Support for Industry Service Organisations (SISO)</td>
<td>3,485</td>
<td>(85)</td>
</tr>
<tr>
<td>International Science Linkages</td>
<td>8,823</td>
<td>(61)</td>
</tr>
</tbody>
</table>
(2) (a) The program which requested a rollover of its underspend to 2008-09 was the Small Scale Mammalian Cell Production Facility.

(b) The amount requested was $1m.

(c) The application was successful.

To	yota Grant

(Question No. 1222)

Senator Abetz asked the Minister for Innovation, Industry, Science and Research, upon notice, on 16 January 2009:

Further to the answer to question SI-21 taken on notice during the 2008-09 supplementary Budget estimates hearings of the Economics Committee: Was the assurance from Toyota given orally or in writing.

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

In writing.

Au
tomotive Industry

(Question No. 1223)

Senator Abetz asked the Minister for Innovation, Industry, Science and Research, upon notice, on 16 January 2009:

Further to the answer to question SI-22 taken on notice during the 2008-09 supplementary Budget estimates hearings of the Economics Committee: Is the Minister saying that 10 November 2008 was the date that Holden and Ford were officially advised that the Green Car Innovation Fund was open for business before the original advertised starting date of 2011; if not, on what date were Holden and Ford advised.

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

No.

The Department of Innovation, Industry, Science and Research received a number of enquiries and had discussions with industry players prior to 10 November 2008 concerning possible funding proposals.